

**FY 2009 EMERGING MARKETS PROGRAM (EMP)**  
**Advancing the U.S. Trade Policy Agenda to Expand U.S. Exports**

**A. DATE OF PROPOSAL SUBMISSION:** August 15, 2008

**B. NAME OF ORGANIZATION SUBMITTING PROPOSAL:**

Foreign Agricultural Service  
Office of Capacity Building and Development (OCBD)  
Office of Science and Technical Affairs (OSTA)  
Office of Negotiations and Agreements (ONA)

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**D. QUALIFICATIONS OF APPLICANTS:**

**Office of Capacity Building and Development**, Trade and Scientific Capacity Building (TSCB) is responsible in the USDA for coordination and delivery of international technical assistance, public policy outreach and scientific exchange and cooperation programs.

**Office of Scientific and Technical Affairs** is the USDA office that leads the development and strategy for addressing Sanitary Phytosanitary (SPS) and technical barriers to trade and encourages the use of transparent science-based standards setting, both bilaterally and multilaterally.

**Office of Negotiations and Agreements** is the USDA office that leads in the development and strategy for trade policy and negotiates multilateral, regional, and bilateral agreements including free trade agreements and WTO accessions, ensures their implementation and monitors trade agreement compliance.

**Other FAS Participation:** FAS Overseas Offices provide current information on relevant country-specific issues and assist with activity development and implementation as needed. The Office of Country and Regional Affairs (OCRA) provides strategic leadership and focused analysis of key countries and regions of the world to advance consistent and mutually reinforcing strategies for U.S. agriculture, trade policy, foreign policy and national security interests.

**Other Partnerships:** FAS will enlist the cooperation and support of a broad range of U.S. agricultural stakeholders – both public and private – that have established leadership credentials in agricultural trade. This effort with the following partners will ensure that proposed activities are consistent, sustainable and support a broad range of U.S. agricultural trade interests.

- a. USDA's Animal and Plant Health Inspection Service (APHIS), the Agricultural Research Service (ARS), the Food Safety Inspection Service (FSIS), the U.S. Codex Office, the Food and Drug Administration (FDA), and the Environmental Protection Agency (EPA);
- b. Other government partners will include the U.S. Agency for International Development (AID), the Department of State, and the Office of the U.S. Trade Representative (USTR). These entities will ensure that activities address key agricultural trade policy issues and will provide technical expertise as needed;

- c. FAS cooperators, commodity trade associations and related farm associations will be included in the activity planning and implementation process to reduce redundancy and increase coordination of our respective strategies for securing and maintaining market access for U.S. agricultural exports;
  - d. Other potential partners include U.S. land grant universities, retired U.S. government regulators and private U.S. and international consultants.
- E. TAX ID NUMBER: N/A**
- F. DUNS NUMBER: 13-590-7355**
- G. PRIMARY CONTACT PERSON:**
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- H. FULL TITLE OF PROPOSAL:** Advancing the U.S. Agricultural Trade Policy Agenda to Expand U.S. Exports
- I. RATIONALE:** This proposal is submitted by the FAS Program Areas of OCBD, OSTA, and ONA to utilize technical assistance as a means to advance the USDA agricultural trade policy agenda.

This proposal proceeds from the FAS Vision statement, which seeks to create “a more efficient and transparent sanitary and phytosanitary (SPS) and technical regulatory framework that facilitates international agricultural trade, protects agriculture and human health, and is based upon sound science and risk management principles.” The proposal directly supports the objectives in the *FAS Strategic Plan 2006-2011*:

**Objective 2.2: Support the U.S. trade policy agenda through trade capacity building (TCB) activities**

**Objective 3.3: Support development and adoption of science-based international standards**

**Objective 3.4: Support the development and adoption of science-based SPS regulatory systems**

In supporting the FAS Strategic Plan Objectives and post's country strategy statements, efforts were made to identify and address the priority agricultural trade policy issues that negatively impact or potentially benefit U.S. agricultural exports. This proposal addresses both current and potential trade barriers to U.S. agricultural exports. Many of the activities focus on multinational or national regulatory and standards setting processes that can be influenced by targeted engagement by U.S. and international experts, before adoption of SPS or technical regulations or requirements that could block U.S. agricultural exports. A guiding principle of the activities in this proposal is the value of transparent and science-based SPS and technical approaches that acknowledge U.S. and international standards, where appropriate.

This proposal includes technical assistance projects that target three areas: 1) promoting adoption of transparent science-based U.S. and international standards; 2) supporting WTO

accessions and FTA implementation; and 3) addressing current and potential agricultural trade barriers. Please see attached appendices for details on specific proposed activities.

1. Promoting adoption of transparent science-based U.S. and international standards (Objectives 3.3 and 3.4 ). The primary objective of these EMP technical assistance projects is to encourage developing countries to adopt a transparent and science-based approach to SPS and technical standards-setting, in accordance with WTO obligations.

Several technical assistance programs focus on the development of national standards, which involves drafting of laws and regulations, scientific data gathering and risk analysis. Proposed activities will help developing countries better understand the U.S. regulatory systems for food safety, animal and plant health and encourage them to accept and/or adopt U.S. or international standards as their own, in that order of preference. Adoption of U.S. or international SPS and technical standards will provide greater predictability for U.S. exporters in key developing markets.

Other EMP technical assistance projects will train participating developing country officials on the role transparent science-based international standards can play in national standards-setting. The WTO SPS Agreement cites the Codex Alimentarius (Codex), the International Plant Protection Convention (IPPC), and the World Animal Health Organization (OIE) international standards as the preferred measures for facilitating agricultural trade. Proposed projects will promote the development and establishment of science-based international standards commensurate with U.S. interests and encourage the more active and informed participation by developing countries in international standards setting bodies.

Greater engagement by developing countries in the proceedings of key international standards-setting bodies is needed to help ensure the adoption of and adherence to transparent, science-based standards that facilitate trade. The objective is to build coalitions in international fora that understand and support positions held by the United States. This will serve to counterbalance the increasing European Union (EU) influence in these standards-setting bodies, due in part to EU enlargement. In addition, projects will seek to sponsor the scientific research or identify relevant experts to advocate important issues in support of U.S. trade interests. This work will help developing countries see the value in adopting science-based and transparent SPS regulations, which will in turn create opportunities for U.S. exporters.

Adoption of international standards is important for low and middle income countries that often lack the necessary means and resources to establish such standards on their own. The adoption of Codex, IPPC, and OIE standards by developing countries will at once enable them to meet their WTO obligations and will also facilitate U.S. exports by encouraging adherence to standards developed by the international standard setting bodies.

Codex sets international food standards to protect human health and to ensure fair trade practices. It is recognized by the WTO as the international standards setting body for food safety. Codex enables developing countries to join the international community in formulating and harmonizing food standards and ensuring their global implementation. It also allows countries to play a role in the development of standards governing hygienic processing practices and recommendations relating to compliance with those standards.

The IPPC is the international plant health standards setting body. It promotes global cooperation to prevent the spread of harmful plant pests and develop appropriate measures for their control. IPPC phytosanitary standards are recognized by the WTO as benchmark standards for trade in plant commodities and for the protection of agriculture and the natural environment.

The OIE is the international animal health standards setting body. It is responsible for improving animal health worldwide. It is recognized by the WTO as the reference organization for worldwide animal health standards.

**Indicators for Measuring Success in Meeting Objectives:** Adoption of Science-based standards.

- i. Increased participation of target countries in OIE, IPPC and CODEX meetings
- ii. Measureable increase in science-based regulatory standards in target countries.
- iii. Adoption of IPPC, CODEX and OIE standards by member countries.

2. Support for countries under Free Trade Agreements (FTA) and WTO accessions (Objective 2.2) U.S. agricultural exports are poised to increase as countries reduce tariffs and provide market opportunities under FTAs and WTO accessions.

*FTAs:* Many emerging market FTA partners are unable to meet their FTA commitments. Lack of functional SPS and technical regulatory systems impedes full compliance with FTA provisions and also negatively impacts U.S. food and agriculture exports. In addition, several developing country FTA partners indicate difficulty complying with established U.S. SPS and technical regulations. Some believe U.S. SPS and technical regulations are trade-restrictive and thus justify retaliatory measures targeting U.S. exports. Another problem inhibiting U.S. exports to FTA partners is poor Tariff Rate Quota (TRQ) administrative systems, which effectively blocks U.S. exports.

*WTO Accessions:* Many newly acceding WTO Members have little or no experience with the accession process, with SPS and technical regulations, or with their WTO SPS and technical obligations. In addition, many countries lack procedures for incorporating other nations' or public comments into proposed regulations, another WTO obligation. Many countries also fail to adhere to the WTO principle of national treatment, which severely impedes U.S. agricultural exports. Without assistance to help these countries understand and adopt WTO principles and international standards, ministers and representatives naturally defend poorly developed SPS and technical policies, import controls, and measures.

Government-to-government technical assistance will result in improved market access with our FTA partners and newly acceded and acceding WTO members. USDA has worked with its interagency counterparts to develop and implement projects designed to address the relevant SPS and technical barriers to U.S. food and agriculture exports.

The priority emerging market countries to receive technical assistance as FTA partners or under a Trade Promotion Agreement (TPA) with the United States include: the CAFTA-DR countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic), Chile, Colombia, Mexico, Panama and Peru. U.S. agriculture, fishery and forestry exports to these countries exceeded \$18.5 billion in 2007.

Countries currently negotiating or recently concluding their WTO accession include: Afghanistan, Algeria, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia & Herzegovina, Cape Verde, Comoros, Ethiopia, Equatorial Guinea, Iraq, Kazakhstan, Laos, Lebanon, Liberia, Libya, Montenegro, Russia, Samoa, Serbia, Seychelles, Tajikistan, Ukraine, Uzbekistan, Vanuatu, Vietnam and Yemen. Of these, the largest U.S. agricultural export markets are: Russia (\$372 million), Iraq (\$325 million), Algeria (\$188 million) Bahamas (\$166 million), Ethiopia (\$160 million), Lebanon (\$63 million), and Kazakhstan (\$26 million). Selection will factor in political importance, market significance, status of WTO accession work and willingness to engage on SPS work.

**Indicators for Measuring Success in Meeting Objectives:** Support for countries under Free Trade Agreements and WTO Accession countries.

- i. Increased number of activities in target countries to support objectives of FTAs
- ii. Increased number of targeted technical assistance activities in target countries related to WTO accession
- iii. Measurable adoption of WTO requirements as evidenced by
  - a. WTO consistent commitments in WTO accession documents
  - b. Reference to international standards in legislation and/or science-based requirements in legislation
  - c. Reduction of existing SPS trade barriers as a result of adoption of SPS Agreement consistent measures.
  - d. Increased transparency by notifying measures prior to adoption as required by the WTO.

3. Addressing current and potential trade barriers (Objective 2.2, 3.3 & 3.4): Several priority non-tariff barriers currently impede U.S. agricultural exports around the world. This proposal will address these challenges in several ways. As mentioned above, encouraging familiarity U.S. and international SPS and technical standards will facilitate U.S. exports, as will encouraging greater emerging market participation in the WTO and international standards setting bodies. This proposal also includes targeted activities designed to address key barriers to U.S. exports, both actual and potential. Activities have been designed to remove these barriers or reduce their effect.

*Genetic resources* - Secure access to genetic resources is crucial to the U.S. food and agriculture sector, from microorganisms for fermented processed food products to animal breeding stock and plant genetic resources. Initial estimates are that more than \$2 billion in U.S. food and agriculture exports and many more billions in domestically consumed products rely on genetic resources, many of which are imported. Through targeted activities in the coming year and a half, FAS will work to bilaterally and multilaterally to encourage the free movement of genetic resources relevant to food and agriculture, which will benefit U.S. food and agriculture producers and exporters.

*Contaminants: Chemical and Microbiological*— SPS regulations have replaced tariffs as the most problematic barriers to U.S. exports. Trade-restrictive pesticide and veterinary drug regulations stop an increasing number of U.S. exports worldwide. A similar problem also exists regarding contaminants and pathogens. Many importing countries require testing for pesticide and veterinary drug residues, contaminants and pathogens at the border to determine the safety of imported food. China, Colombia, El Salvador and Vietnam have imposed a zero tolerance requirement for *Salmonella* in raw chicken, an unnecessary restriction if the chicken is properly cooked. This and other restrictions often are not linked to actual risk. The United States supports science-based assessment to link the maximum levels allowed to the public health outcome desired. FY09 proposals seek to engage key countries bilaterally and multilaterally to encourage participation in international standards setting bodies and the adoption, where appropriate, of international standards. Activities will focus on key SPS barriers to U.S. exports, including *Salmonella* in poultry and pesticide residues.

**Indicators for Measuring Success in Meeting Objectives:** Addressing current and potential trade barriers.

- i. Increased flow of U.S. exports due to resolution of identified trade barriers.
- ii. Decrease in trade restrictive SPS barriers to trade in target countries.
- iii. Measurable increase in flow of genetic resources in target countries.

**J. TARGET MARKETS, CURRENT CONDITIONS, DESCRIPTION OF PROBLEMS TO BE ADDRESSED, AND PROJECT OBJECTIVES:**

This proposal seeks \$3.1 million in EMP funds to address agricultural trade barriers in the APEC economies including China, the Western Hemisphere, the Newly Independent States, Sub-Saharan Africa and India. The attached appendix describes current conditions and problems to be addressed, proposed activities, objectives to be achieved, indicators for measuring success, and budgets. The activities proposed, as well as the overall strategy, will evolve as conditions and circumstances in target markets change.

**K. JUSTIFICATION FOR FEDERAL FUNDING:**

Providing government-to-government trade capacity building assistance as a part of a long-term marketing strategy will result in substantive positive market growth for U.S. products. The countries identified in this proposal represent many of our export growth markets for U.S. agricultural products. It is imperative to provide trade capacity building support so these countries will continue to actively participate in the global trade arena and continue to import U.S. agricultural products. FAS will leverage in-kind contributions of salary and benefits from other USDA (APHIS, FSIS, GIPSA) and U.S. Government agencies (FDA, EPA, USTR) to implement projects where possible. But no other funding for the activities outlined in this proposal exist.

**L. TIMELINE:**

All of the activities described in the proposal and appendices will be developed and implemented between the date of receipt of FY09 funding and September 30, 2009.

	Activity Total
<b>GLOBAL POLICY PROPOSAL TOTAL REQUEST:</b>	<b>\$3,133,478</b>
Global	\$849,973
Asia	\$791,499
Africa	\$359,052
Western Hemisphere	\$915,234
Eurasia	\$217,719

### Activity Breakdown

GLOBAL		
1	Pesticides, Contaminants and Veterinary Drugs	\$293,644
2	Enquiry Point/National Notification Authority Training	\$142,844
3	Genetic Resources - Methodology Workshop	\$146,130
4	Technical Assistance to Support IPPC	\$149,797
5	WTO Multi-Lateral Accession	\$117,560
<b>Global TOTAL:</b>		<b>\$849,973</b>
ASIA		
1	APEC Export Certifications	\$120,810
2	APEC Risk Analysis Workshop	\$149,027
3	China CIQ Roadshow	\$91,265
4	China FS Regulatory Engagement—Risk Analysis	\$259,234
5	India SPS Capacity Building	\$171,164
<b>Asia TOTAL:</b>		<b>\$791,499</b>
WESTERN HEMISPHERE		
1	Animal Surveillance - International Standards Training	\$144,094
2	Latin America and International Standards Setting	\$210,901
3	Microbiological Standard Setting	\$199,091
4	OIE Veterinary Service laboratory Training	\$67,439
5	Participation in Central America-DR Customs' Union Committees	\$125,398
6	TPA Legislation Consult	\$57,914
7	Tariff Rate Quota Administration in Peru and CAFTA-DR Countries	\$41,325
8	U.S. Export Program Exchange with Guatemala and Honduras	\$69,071
<b>Western Hemisphere TOTAL:</b>		<b>\$915,234</b>
AFRICA		
1	East Africa Phytosanitary Information Committee Support	\$114,885
2	Africa and international Standards Setting	\$244,167
<b>Africa TOTAL:</b>		<b>\$359,052</b>
EURASIA		
1	Food Safety training for the Russian-speaking WTO accession countries	\$100,559
2	Kazakhstan Animal Health	\$48,378
3	WTO Agricultural Support Issues	\$68,782
<b>Eurasia TOTAL:</b>		<b>\$217,719</b>

## **Table of Contents**

<b>Appendix</b>	<b>Title</b>	<b>Page</b>
<b>1</b>	<b>Global Proposals</b>	
	Overview and trade data	9
	Pesticides, Contaminants and Veterinary Drugs	12
	Enquiry Point/National Notification Authority Training	14
	Genetic Resources - Methodology Workshop	17
	Technical Assistance to Support International Plant Protection Convention	19
	WTO Multi-Lateral Accession	21
<b>2</b>	<b>Asia Proposals</b>	
	Overview and trade data	23
	APEC Export Certification Round Table	25
	APEC Risk Analysis Workshop	28
	China CIQ Roadshow	29
	China - U.S. Risk Analysis Workshops	31
	India SPS Capacity-Building Activities	33
<b>3</b>	<b>Western Hemisphere Proposals</b>	
	Overview and trade data	36
	Animal Health Surveillance Systems Technical Assistance	38
	Latin America and International Standards Setting	40
	Microbiological Standard Setting	42
	OIE Veterinary Service laboratory Training	44
	Participation in CAFTA DR Customs Union Committees	46
	TPA Legislation Consult	48
	Tariff Rate Quota Administration in Peru and CAFTA-DR Countries	50
	U.S. Export Program Exchange with Guatemala and Honduras	52
<b>4</b>	<b>Africa Proposals</b>	
	Overview and trade data	54
	East Africa Phytosanitary Information Committee (with FAO)	55
	Africa and international Standards Setting	58
<b>5</b>	<b>Eurasia Proposals</b>	
	Overview and trade data	60
	Food Safety training for the Russian-speaking WTO accession countries	62
	Kazakhstan Animal Health Issues	64
	WTO Agricultural Support Issues	66



### Global

The activities proposed in this appendix address challenges that are endemic and that affect all manner of U.S. exports to markets worldwide. The global nature of these challenges requires a global response from FAS, in conjunction with its regulatory partners and also in coordination with developments in various international fora, including the standards setting bodies recognized by the WTO. The proposed activities in this appendix address actual or potential threats to U.S. exports. The activities seek, when appropriate, to encourage compliance with international SPS and technical standards that facilitate trade. They also employ international organizations, such as the UN Food and Agriculture Organization, to develop international support for positions that advance U.S. policy objectives.

*Contaminants: Chemical and Microbiological:* Countries around the world, including the United States, have undertaken serious efforts to address the presence of contaminants in foods. While consumer protection is often cited as the justification for these efforts, many countries' requirements with respect to contaminants in food fail to adhere to international standards, are not science-based, or both. This problem is widespread – markets in Asia, Latin America and Europe are affected – and requires a global strategy.

FAS' proposed activities will address onerous and trade restrictive contaminants requirements worldwide, such as zero-tolerance for *Salmonella* in poultry and acceptable levels of veterinary drugs like ractopamine in pork. FAS will work with attachés in key markets and with U.S. regulatory officials to design and carry out exchanges that will share with foreign officials international and U.S. approaches to contaminants in foods.

*International Plant Protection Convention (IPPC):* The IPPC is the international regulatory body responsible for establishing standards for trade in plants and plant products. International Standards for Phytosanitary Measures (ISPM) are drafted by committees of technical experts from IPPC signatory nations. Inconsistent phytosanitary standards among trading partners presents a significant problem for U.S. exports and food aid shipments to many developing nations. Oftentimes these standards are arbitrary and not based on sound science, creating a high level of uncertainty for U.S. exporters to these markets. FAS will its overseas post and with APHIS to identify key developing country regulators for information sharing regarding the U.S. regulatory process, and address specific phytosanitary trade issues that exist between the U.S. and these developing countries.

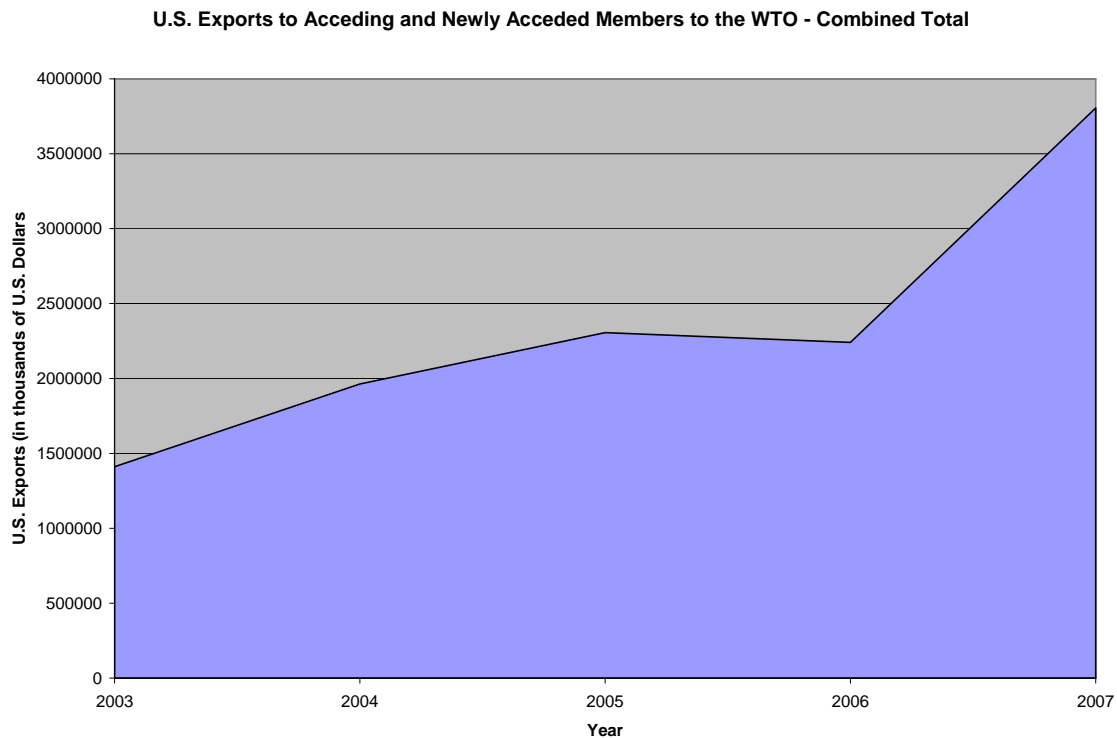
*Genetic resources:* Every sector of U.S. food and agriculture production relies to some extent on genetic resources, including seeds for developing new crop varieties, semen and embryos for improved livestock varieties, bacteria and other microorganisms used as processing agents, and breeding stock for aquaculture. Many of these genetic resources are imported and international developments could impede access to them. FAS, in cooperation with the University of Illinois, is determining the extent to which U.S. food and agriculture sectors rely on foreign genetic resources.

The Convention on Biological Diversity (CBD) must establish an international access and benefit (ABS) regime for genetic resources by 2010 that could profoundly impact U.S. access to genetic resources (seeds, semen and embryos, etc.) used in all stages of food and agriculture production. More than \$2 billion in U.S. food and agriculture exports – and many more billions in domestically consumed products – rely on genetic resources, many of them imported. The CBD is an environmental agreement in which food and agricultural considerations are secondary to environmental concerns. CBD discussions to date have focused primarily on benefit sharing as opposed to access. The United States is not a CBD Party – U.S. government and industry have sought to advance positions through like-minded Parties, with limited success.

Conversely, the Food and Agriculture Organization (FAO), in which the United States is an active participant, has begun developing and negotiating approaches to ABS for genetic resources used in food and agriculture. This effort is complementary to that of the CBD. The FAO plans to develop approaches to the ABS issue for food and agriculture genetic resources by mid-2009. This work follows on the FAO's successful launch in 2004 of the International Treaty on Plant Genetic Resources for Food and Agriculture. The Treaty has its own Secretariat and 118 contracting parties to date, including many that play important roles for U.S. food and agriculture imports and exports. The Treaty has broad U.S. government and industry support – the President has sent the Treaty to the U.S. Senate for advice and consent.

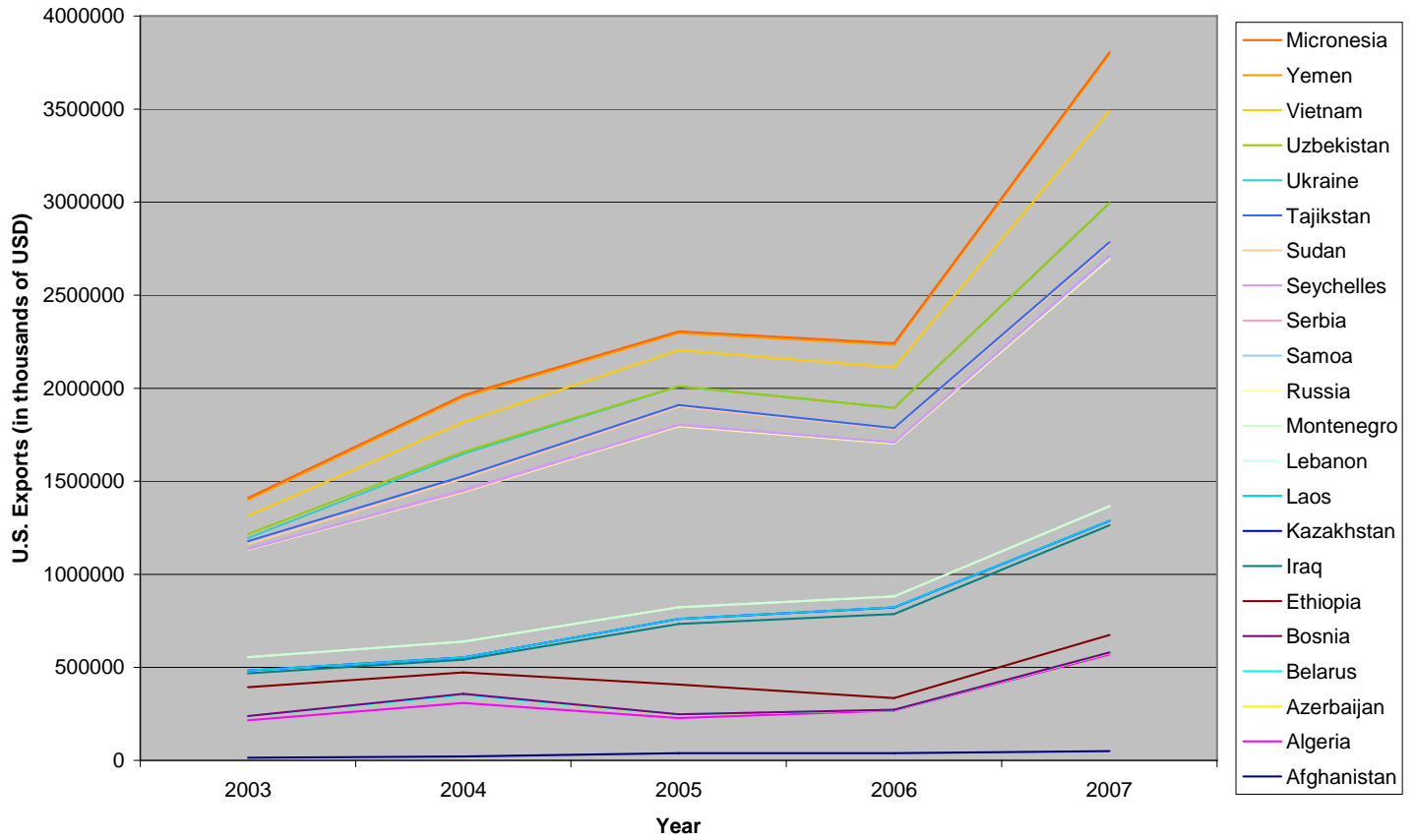
In addition to informing domestic stakeholders and learning their interests in this issue, the United States must build international support for a rational approach to access and benefit sharing for genetic resources relevant to food and agriculture. FAS has developed a strategy to help ensure that international discussions regarding ABS for genetic resources used in food and agriculture focus on the value of the free movement of these resources. This goal will be achieved by conducting workshops in FY09 to develop an informed coalition of countries that understand the issues and support the free movement of these genetic resources.

### Graph 1



**Graph 2**

**U.S. Exports to Acceding and Newly Acceded Members to the WTO**



**Activity Title:**

Pesticides, Contaminants and Veterinary Drugs

**Country:**

Africa, Latin America, and Asia

**Total Budget:**

\$293,664

**Descriptive Paragraph:**

Codex Alimentarius sets food safety standards recognized by the World Trade Organization's Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures. The Codex objectives of protecting public health and facilitating trade align with the FAS goal of promoting the development and adoption of transparent science-based SPS standards that facilitate trade. United States participation in Codex is geared to influence the Codex standards setting process. To build consensus for the standards supported by the United States, FAS is proposing to organize regional outreach events to examine issues under review in Codex. Regional Codex outreach will enhance participation of emerging market countries in Codex standards setting activities and provide a forum for discussion between the United States and key developing countries on important issues, including fats and oils, pesticides, and contaminants, before the Codex technical Committees. Codex standards can then serve as a benchmark for evaluating regulations adopted by our trading partners around the world. Countries' measures that align with the relevant Codex standard generally promote U.S. exports by providing predictable requirements for exporters to meet.

Three workshops will be conducted in conjunction with regional meetings on fats and oils, pesticides and contaminants in Africa, Latin America and/or Asia. The intended audiences are regional regulatory officials involved in Codex Committees. The participants will develop an understanding of the U.S. approach to these issues and allow dialogue to identify common positions. The United States and the emerging market participants will work together to advance common positions on Codex Codes of Practice and Standards within Codex Committees. Resolution of key issues and movement of Codex documents through the step-process will provide a measure of the impact of this program. In addition to promoting the FAS objective of supporting the development of science-based international standards, this activity will also encourage participation in the Codex standards setting process. When emerging market countries participate in the process to develop the standards, they are more likely to adopt these standards in their national regulations, thereby removing barriers to U.S. exports.

Pesticides, Contaminants and Veterinary Drugs				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>Technical Workshop on Veterinary Drugs in Foods</i>				
Participant Travel to Guatemala	20	\$1,500	1	\$30,000
Participant Perdiem	20	\$227	3	\$13,620
USDA Travel to Guatemala	5	\$1,000	1	\$5,000
USDA Perdiem	5	\$227	5	\$5,675
Conference Package	1	\$4,000	1	\$4,000
Documents/Materials	1	\$750	1	\$750
Translation/Interpretation	1	\$5,600	1	\$5,600
Miscellaneous	1	\$3,500	1	\$3,500
<b>Activity 1</b>				<b>\$68,145</b>
<i>Technical Workshop on Pesticide Residues</i>				
Participant Travel to China	20	\$1,500	1	\$30,000
Participant Perdiem	20	\$316	3	\$18,960
USDA Travel to China	5	\$2,000	1	\$10,000
USDA Perdiem	5	\$316	5	\$7,900
Conference Package	1	\$4,000	1	\$4,000
Documents/Materials	1	\$750	1	\$750
Translation/Interpretation	1	\$6,000	1	\$6,000
Miscellaneous	1	\$3,500	1	\$3,500
<b>Activity 2</b>				<b>\$81,110</b>
<i>Technical Workshop on Contaminants in Foods</i>				
Participant Travel to the Netherlands	20	\$1,500	1	\$30,000
Participant Perdiem	20	\$441	3	\$26,460
USDA Travel to the Netherlands	5	\$1,500	1	\$7,500
USDA Perdiem	5	\$441	5	\$11,025
Conference Package	1	\$4,000	1	\$4,000
Documents/Materials	1	\$750	1	\$750
Translation/Interpretation	1	\$5,600	1	\$5,600
Miscellaneous	1	\$3,500	1	\$3,500
<b>Activity 3</b>				<b>\$88,835</b>
<b>Subtotal:</b>				<b>\$238,090</b>
OCBD Staff Time				\$55,554
<b>Total:</b>				<b>\$293,644</b>

**Activity Title:**

Enquiry Point/National Notification Authority Training

**Countries:**

Global: Various Acceding, Newly-Acceded Countries, FTA partners, and Swaziland.

**Total Budget:**

\$142,844

**Descriptive Paragraphs:**

A key Foreign Agricultural Service (FAS) goal is to assist WTO members in understanding and implementing their agricultural commitments (Objective 2.2). A major step towards meeting this goal is promoting greater awareness of WTO member obligations with respect to soliciting and, where appropriate, incorporating WTO member comments as part of developing new sanitary, phytosanitary and technical regulations. FAS proposes to carry out technical assistance on Enquiry Point and National Notification Authority (NNA) responsibilities for the three groups of countries outlined below. Specific issues facing these countries are: absence of vertical and horizontal integration of SPS and technical agency roles; unscientific national treatment requirements; lack of adoption of international standards; absence of regulatory transparency; and ineffective policies for SPS risk mitigation.

Various Acceding, Newly-Acceded Countries: Establishment of an Enquiry Point and NNA is a requirement for WTO membership and represents a key indicator of a country's transparency. Countries acceding to the WTO often have little or no experience with the necessary actions to fulfill their obligations under the WTO Agreements on Sanitary and Phytosanitary (SPS) Measures and Technical Barriers to Trade (TBT) and as a result may find themselves shut out of the international trading system. Countries that have specifically requested this training include Azerbaijan, Kazakhstan, Laos, Yemen and Nepal, but other countries may be considered.

FTA Partners: Many Free Trade Agreement (FTA) partners are developing countries that have indicated difficulty in complying with established U.S. SPS regulations. These countries believe the U.S. SPS regulations are designed to prevent real market access under the FTA, which from their perspective justifies retaliatory measures for blocking U.S. exports. In addition to assisting these countries in strengthening their NNA and enquiry point to allow for greater transparency for U.S. agricultural exporters, FAS proposes to help the chosen FTA partners improve their understanding of U.S. regulatory systems, and enhance their understanding of sound science and international standards in establishing regulations.

Swaziland: At a recent meeting of the WTO-SPS Committee the United States was asked to "mentor" Swaziland in order to help them improve the functioning of their WTO Enquiry Point. FAS can "mentor" Swaziland – a least developed country – on how to coordinate with other government agencies and the private sector to disseminate and evaluate proposed regulatory changes in entry requirements in export markets.

Global: Funding is also requested for translation of foreign notifications in order to provide the proper guidance to foreign governments on their draft or notified regulations.

**Activity**

FAS proposes to conduct four one week, country specific workshops. For each workshop, two WTO-SPS Enquiry Point officials will be sent to these countries to conduct the in-country training. Training would consist of individual meetings with the relevant ministries to determine the country's progress in implementing their WTO SPS transparency and coordination obligations and

to assess the needs and priorities for making the enquiry point and NNA offices operational. The team would then as appropriate provide intensive training on: SPS Agreement obligations; NNA and inter-agency coordination and integration; and SPS Enquiry Point management and coordination of WTO SPS Agreement rights; and as appropriate provide an overview of the operation of the US SPS Enquiry Point and National Notification Authority, how it fulfils WTO commitments, and how it facilitates cooperation between USG agencies and coordinates with industry bodies.

FAS closely monitors and records the notifications and comments received from foreign governments. Success of activities will be measured in terms of the level of participation by each country's NNA in the WTO notification system. Other performance measures will include:

- Creation of an official journal that publishes draft measures prior to adoption.
- Notification of SPS measures to the WTO for public comment prior to enforcement.
- A science-based approach for establishing regulations.

Enquiry Point/National Notification Authority Training				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Global Workshops for Acceding, Newly-Acceded & FTA Countries				
USDA Trainer Travel	2	\$5,000	3	\$30,000
USDA Trainer Per Diem	2	\$350	24	\$16,800
Training & Seminar Fee	1	\$3,000	3	\$9,000
Translation	1	\$600	15	\$9,000
Miscellaneous	1	\$2,500	3	\$7,500
			Activity 1	\$72,300
Mentoring Workshop (Swaziland)				
Consultant Travel	2	\$7,500	1	\$15,000
Consultant Per Diem	2	\$250	8	\$4,000
Training & Seminar Fee	1	\$5,000	1	\$5,000
Miscellaneous	1	\$2,500	1	\$2,500
Notifications Translation	1	\$20,000	1	\$20,000
			Activity 2	\$46,500
			Subtotal:	\$118,800
OCBD Staff Time				\$24,044
			Total:	\$142,844



**Activity Title:**

Genetic Resources - Methodology Workshop

**Country**

Global

**Total Budget:**

\$146,130

**Descriptive Paragraph**

Billions of dollars of US food and agricultural products rely on genetic resources – such as the yeasts used for making wine or the honey bees that pollinate specialty crops. The broad range of genetic resources, including insects, livestock, aquatic animals, food safety pathogens, and animal and plant health pathogens, actively imported and exported by the US food and agriculture stakeholder community. These genetic resources are used to produce food and feed products as well as diagnostic kits and vaccine/pharmaceutical products to detect the presence of or protect against pathogens of concern to our domestic producers and trading partners.

The Convention on Biological Diversity (CBD), to which the United States is not a Party, has been the primary international forum for negotiations on access to and benefit sharing from the use of genetic resources (ABS). However, due to the unique nature of the agricultural uses of genetic resources, the CBD has invited the involvement of the UN Food and Agriculture Organization's (FAO) Commission on Genetic Resources for Food and Agriculture (CGRFA) to discuss ways to address the issues facing agriculture on this issue. As the US is an active participant in the FAO, this request affords an opportunity to USDA to take a leading role in the formation of policy and to provide guidance on negotiations that emerge in this forum (Objective 2.3).

**Activity**

To commence a dialogue among countries on the uses and exchange patterns of genetic resources of relevance to food and agriculture, FAS would like to co-sponsor a two-part workshop designed to help stakeholders inform themselves of the true role that genetic resources play in domestic food and agriculture. The first component will be a three-day methodological workshop with other host governments in Cape Town, South Africa in January 2009. This workshop will bring together experts on stakeholder consultations to demonstrate a range of ways in which national governments can reach out to their food and agriculture constituencies to identify issues of concern with respect to the trans-boundary movement and domestic use of Genetic Resources for Food and Agriculture (GRFA). Governments would be encouraged to undertake an assessment of domestic needs and concerns related to the exchange and use of GRFA after the workshop and in advance of the late summer/early fall 2009 12<sup>th</sup> meeting of the CGRFA.

The second workshop component will gather stakeholders on the margins of the 12<sup>th</sup> meeting of the CGRFA to present their findings to inform ABS discussions that will ensue during the 12<sup>th</sup> Commission meeting, scheduled for late summer/early fall 2009. It is anticipated that through this process, a more reasoned discussion can emerge that is based on actual national experiences and negotiation among attendees can commence from an informed position.

Genetic Resources - Methodology Workshop				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Participant Travel	17	\$2,500	1	\$42,500
Participant Perdiem	17	\$301	6	\$30,702
Consultant Travel	4	\$2,500	1	\$10,000
Consultant Per diem	4	\$301	6	\$7,224
Consultant Fee	4	\$570	8	\$18,240
Venue	1	\$7,000	1	\$7,000
Translation/Interpretation	1	\$3,000	1	\$3,000
Miscellaneous	1	\$3,500	1	\$3,500
<b>Subtotal:</b>				<b>\$122,166</b>
OCBD Staff Time				\$23,964
<b>Total:</b>				<b>\$146,130</b>

**Activity Title:**

Technical Assistance to Support International Plant Protection Convention

**Country:**

Global

**Total Budget:**

\$149,797

**Descriptive Paragraph:**

The International Plant Protection Convention (IPPC) is the international regulatory body responsible for establishing standards for trade in plants and plant products. International Standards for Phytosanitary Measures (ISPM) are drafted by committees formed from technical experts from IPPC signatory nations. A variation among the phytosanitary standards is a significant problem which inhibits U.S. exports and food aid shipments to many developing nations. Oftentimes these standards are arbitrary and not based on sound science, creating non-tariff trade barriers (TBT) and a high level of uncertainty for U.S. exporters to these markets.

**Activities:**

FAS proposes to collaborate with the Animal and Plant Health Inspection Service (APHIS) to provide assistance to a select group of developing nations that have recently signed on to the IPPC. As signatories to the IPPC, these countries have pledged to use internationally recognized, science-based phytosanitary standards. Despite this signatory status, many of the countries still lack the technical expertise to fully implement these international standards. USDA, through a series of outreach activities, will engage in government-to-government capacity building with these nations to increase their regulatory and technical capacity and allow them to fully implement IPPC standards (FAS Strategic Objectives 1.3 and 3.3).

The project will be comprised of two activities. FAS will work with overseas APHIS and FAS posts to identify and invite selected developing country regulators to a workshop to learn about the U.S. regulatory process, and address specific phytosanitary trade issues that exist between the U.S. and these developing countries. A second activity will be to send U.S. experts to specific developing countries to assist with the development of standards (e.g., assistance to rewrite SPS laws, provide translation of documents).

USDA will coordinate all of these efforts with existing USDA, World Bank, Food and Agriculture Organization (FAO), and other donor programs to achieve maximum effect.

Technical Assistance to Support International Plant Protection Convention				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>Regional Workshop (Location TBD)</i>				
Participant Travel	20	\$2,500	1	\$50,000
Participant Meal Allowance (dinner + misc)	20	\$50	6	\$6,000
Venue/Lodging/Catered Lunches	1	\$25,000	1	\$25,000
Documents/Materials	1	\$1,500	1	\$1,500
USDA Representative Travel	2	\$7,000	1	\$14,000
Translation/Interpretation	1	\$3,000	1	\$3,000
Miscellaneous	1	\$2,500	1	\$2,500
			<b>Activity 1</b>	<b>\$102,000</b>
<i>Technical Assistance TDYs to individual countries</i>				
Technical Expert TDY (avg. trip cost)	1	\$6,000	3	\$18,000
Consulting Fees	1	\$4,250	1	\$4,250
			<b>Activity 2</b>	<b>\$22,250</b>
			<b>Subtotal:</b>	<b>\$124,250</b>
OCBD Staff Time				\$25,547
			<b>Total:</b>	<b>\$149,797</b>

**Activity Title:**

WTO Multi-lateral Accession

**Countries:**

Global: Multiple Acceding & Newly-Acceded Countries to the World Trade Organization

**Total Budget:**

\$117,560

**Descriptive Paragraphs:**

Countries that are newly acceded and acceding to the World Trade Organization (WTO), especially developing and least-developed countries, have little or no experience with the regulation, policy, legislation, enforcement, and coordination necessary to fulfill their obligations under the WTO Agreements on Sanitary and Phytosanitary (SPS) Measures and technical barriers to trade (TBT). Specific issues facing these countries are often similar, such as: vertical and horizontal integration of SPS agency roles; national treatment; standards notification; regulatory transparency; and SPS risk mitigation. Market access for the United States is threatened if acceding countries lack sufficient understanding of these concepts and agreements, since their regulatory decisions may then be unstructured and capricious. FAS regularly provides trade-related technical assistance and capacity-building focused on helping governments to develop and implement open, market-based trade policies and to regulate trade of agricultural and food products on the basis of transparent, science-based requirements (FAS Objective 2.1).

FAS proposes to work with APHIS, FSIS, USTR, FDA, EPA, and other federal agencies to stage multiple tailored government-to-government technical assistance workshops for acceding and newly-acceded countries to address the outstanding issues that serve as impediments to their full participation in the WTO. The focus will be on follow-up activities as identified during the FY08 workshop on WTO accession for Ethiopia, Liberia, Equatorial Guinea, Comoros, Seychelles and Cape Verde. However, Yemen, Laos and other developing countries in the process of acceding may also be considered. Funding is also necessary for translation of newly-developed legislation and other documents in order for the US government to review the progression of new legislation to verify its accordance with WTO commitments.

Success of activities will be measured in terms of the progression of the countries' WTO accession and their development of WTO-consistent regulations. Successful working party and bilateral meetings provide further evidence of regulatory progression.

WTO Multi-Lateral Accession				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Consultant Travel	1	\$3,000	1	\$3,000
Consultant Perdiem	1	\$275	14	\$3,850
Consulting Fees	1	\$570	20	\$11,400
USDA Travel	5	\$3,000	1	\$15,000
USDA Perdiem	5	\$275	14	\$19,250
Venue	2	\$5,000	1	\$10,000
Documents/Materials	1	\$2,000	1	\$2,000
Interpretation	1	\$900	10	\$9,000
Legislative Document Translation	1	\$17,000	1	\$17,000
Miscellaneous	1	\$5,000	1	\$5,000
<b>Subtotal:</b>				<b>\$95,500</b>
OCBD Staff Time				\$22,060
<b>Total:</b>				<b>\$117,560</b>

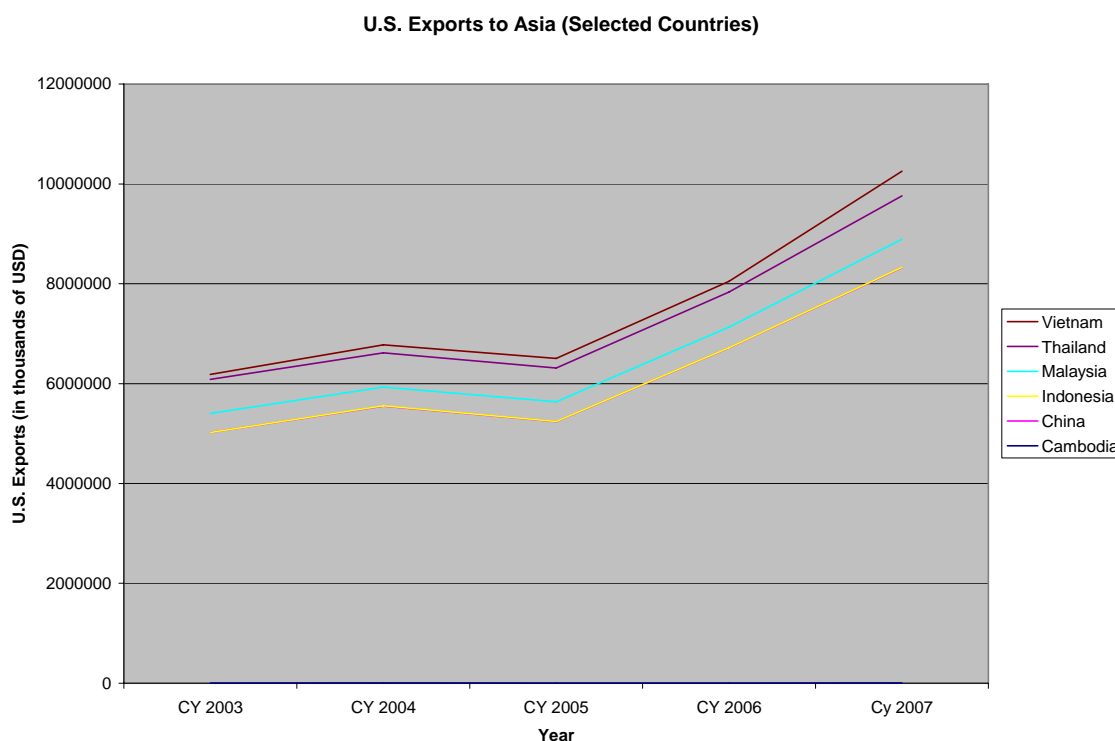
## Asia

China: U.S. exports to China have been hampered in recent months by unscientific and arbitrary efforts by Chinese authorities to address SPS and food safety risks. EMP-funded activities have been designed to address these export challenges. These activities will share with the appropriate Chinese authorities information that will promote a science-based approach to pathogens and residue levels that will facilitate U.S. exports.

Agricultural trade with China has boomed in recent years, with Chinese exports increasing from \$5.2 billion in 2005 to \$8.3 billion in 2007. Last year, Chinese agricultural exports were cited in several food safety incidents that have led to efforts to improve the safety of imports, including food and agricultural products. As the U.S. FDA seeks to address food safety concerns in China prior to export, FAS must work to ensure that these efforts do not result in retaliatory measures that negatively impact U.S. exports. FAS will work closely with FDA and will also carry out activities to encourage China to follow international standards that facilitate trade in food and agriculture products.

Vietnam: Vietnam is a fast growing market for U.S. exports in Southeast Asia. U.S. exports to Vietnam have increased significantly in recent years, from \$192 million in 2005 to \$494 million in 2007. With its 2006 WTO accession, Vietnam has embarked on an ambitious plan to update and/or draft SPS and food safety laws and regulations. EMP-funded programs, complementing cooperator efforts, will seek to promote adherence to science-based standards setting and recognition of international standards.

**Graph 1**



**Cambodia:** Cambodia is an emerging market in Southeast Asia. It was the first Least Developed Country (LDC) to accede to the WTO, in 2004. Two years later, it signed a Trade Investment framework Agreement (TIFA) with the United States – negotiations under the TIFA have been fruitful, despite Cambodia's technical capacity resource limitations.

Cambodia has a particular interest in putting in place a system for developing and implementing science-based SPS and food safety regulations. EMP funds are sought to capitalize on this interest by facilitating an Embassy Science Fellowship to assist the Cambodian government with SPS and food safety regulatory development and implementation, thereby creating a more transparent and predictable regulatory environment for U.S. exports.

**Malaysia:** Malaysia represents another Southeast Asian economy with increasing incomes and standards of living. With this progress comes new market potential for U.S. exports, if SPS and technical regulations are science-based and/or recognize international guidelines, as appropriate. Malaysia's announcement last year of its intention implement a dedicated plant requirement for halal meat imports not only threatens U.S. actual and potential exports, but could also set a dangerous precedent for other countries seeking to enforce halal requirements that exceed the standard developed by Codex. An opportunity exists to influence decision makers before the new halal protocol is finalized – an EMP activity will seek to convey to Malaysian authorities the need to balance halal concerns with trade concerns.

**India:** The United States and India differ significantly on approaches to the development and implementation of SPS and technical regulations, which is reflected in issues raised in the United States and India Trade Policy Forum (TPF). India has implemented numerous trade-restrictive import regulations without notifying the WTO SPS Committee, many of which are not based on risk assessments or scientific principles. The implemented regulations have negatively affected many agricultural imports from the United States.

India's new Food Safety and Standards Authority (FSSA) will review its food safety system and redraft food safety laws and regulations. This presents a unique and important opportunity for USDA to engage the FSSA, which should lead to positive long-term outcomes for U.S. agricultural exports.

**Asia Pacific Economic Cooperation (APEC):** APEC member countries account for 60 percent of world trade. The United States exported more than \$66 billion in agriculture, fish and forestry products to APEC economies in 2007, a new record. APEC is also a key regional forum for the United States to engage economies in Asia (15) and the Americas (5, excluding the United States) on important SPS, technical and food safety issues. APEC does not set standards or guidelines but instead promotes familiarity with and adherence to international obligations, including those of the WTO and its agreements, as well as the work of the international standards setting bodies. The United States, through APEC, can build support in other international forum for positions that advance U.S. SPS and technical interests. Additionally, APEC offers a unique venue to advance U.S. positions without the influence of the European Union.

The United States will address several key issues in APEC, including export certification requirements and the value of science-based SPS regulation. These activities will enable U.S. exporters to take even greater advantage of the opportunities in the APEC region by removing barriers to market access.



**Activity Title:**

APEC Export Certification Round Table

**Country:**

Asian Pacific Economic Community

**Total Budget:**

\$120,810

Food safety system regulators from the 21 APEC countries, including 11 emerging market economies, will be invited to participate in a 3-day round table discussion on export certification issues. Misunderstandings about export certification, different interpretations of Codex standards, and varying country-by-country requirements create barriers to U.S. products and increase costs to U.S. exporters in many of the APEC countries. The disputes over export certificates cover many different commodities from fresh meat and live cattle to milk and processed products. The proposed workshop will address the numerous restrictions that currently exist for U.S. exporters and will develop criteria that will prevent future restrictions.

Some of the export certification issues restricting U.S. exports that will be addressed during the round table include: Malaysia Halal certification for meat and poultry; meat and poultry certification to the Philippines; certification of bovine semen to Chile; certificates of free sale for grains exported to Mexico; fraudulent certification issues that exist for numerous commodities shipped to Russia. All of these certification issues appear on the Secretary's SPS Priority List. The workshop will address these, as well as other certification issues, in order to resolve existing problems and prevent future restrictions from occurring.

APEC member countries account for 60 percent of world trade. The round table discussion will take place under the auspices of the APEC Food Safety Cooperation Forum which has as a primary objective to facilitate trade in agricultural goods. An expert and former U.S. Delegate to CCFICS will be contracted to develop the program and lead the discussion on export certification issues. The contractor will draw on historic case studies and existing issues in an effort to build a consensus among participants on how to resolve the existing issues affecting exports and propose strategies to minimize trade disputes and future market access issues.

We propose that EMP fund the participation of representatives from the 11 emerging APEC economies. The participants will be selected based on input from Posts and will be officials that deal with specific certification issues. The workshop will strive to develop a document that outlines when and how to require export certification in a manner that facilitates trade rather than adds costs or restricts exports. The workshop will be held in late summer 2009 in an Asian country to be determined (likely Thailand or Singapore).

APEC Export Certifications				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Conference center	1	\$5,000	3	\$15,000
Materials	1	\$6,540	1	\$6,540
Facilitator Fee	1	\$560	16	\$8,960
25 Persons Lodging/M&IE	25	\$220	4	\$22,000
Participants Airfare	1	\$1,500	20	\$30,000
Speakers Airfare	1	\$3,500	5	\$17,500
<b>Subtotal:</b>				<b>\$100,000</b>
OCBD Staff Time				\$20,810
<b>Total:</b>				<b>\$120,810</b>

**Activity Title:**

APEC Risk Analysis Workshop

**Country:**

Asian-Pacific Economic Community

**Total Budget:**

\$149,027

**Description**

The U.S. has several market access issues with APEC countries because of policies that do not allow for proper risk analysis. Thailand, Vietnam, Peru and Singapore restrict U.S. beef for reasons that are not science-based and that contradict international (OIE) standards. Malaysia restricts U.S. offal exports against Codex standards. China and Russia enforce zero tolerance for salmonella in poultry and Indonesia fails to recognize pest free areas for U.S. apples in accordance with international standards.

In February of 2009, chief regulators from the 21 APEC countries will meet in Singapore to develop a strategy for food safety capacity building within APEC. This meeting will be funded by APEC and will be carried out under the auspices of the APEC Food Safety Cooperation Forum (FSCF).

**Activity**

FAS proposes to add a two day workshop to the end of the FSCF Conference to take advantage of the presence of the chief regulators. The add-on workshop will reinforce the issue of science-based decision making and the importance of carrying out a proper risk analysis prior to implementing any policies that may restrict international trade. The workshop will focus on “hot issues in risk analysis” geared toward generating a discussion that will move the participants to develop a consensus position on the use of risk analysis when market access may be affected as stipulated in the WTO SPS Agreement.

The Food and Drug Administration/Joint Institute for Food Safety and Applied Nutrition JIFSAN, through the Partnership Training Institute (PTI) (a capacity building body consisting of JIFSAN, industry & academia), will manage and provide expertise for the workshop. The PTI will strategically choose 3-4 current market access issues and review the risk analysis behind the trade restrictive measures. The review of these case studies in risk analysis will address how the science should be conducted, when a risk analysis is required, and how risk analysis needs to comply with WTO and international standards.

Funding is requested to finance the participation of chief regulators from the 11 eligible APEC emerging countries. FAS will cover transportation and lodging of key participants in order to assure that the relevant decision makers in the food safety regulatory systems are present and participating in the discussion. The objective is to highlight trade restrictive measures in this multi-national forum in order to demonstrate that these measures must be based on sound science and risk analysis and not arbitrariness and protective policies.

APEC Risk Analysis Workshop				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Consultant Travel	5	\$3,500	1	\$17,500
Consultant Per diem	5	\$220	4	\$4,400
Facilitator Fee	1	\$570	16	\$9,120
Participant Per diem	20	\$220	3	\$13,200
Venue	1	\$15,000	1	\$15,000
Documents/Materials	1	\$7,000	1	\$7,000
Miscellaneous	5	\$3,500	1	\$17,500
Participant Airfare	1	\$2,000	20	\$40,000
<b>Subtotal:</b>				<b>\$123,720</b>
OCBD Staff Time				\$25,307
<b>Total:</b>				<b>\$149,027</b>

**Activity Title:** China CIQ Roadshow

**Country:** China

**Total Budget:**  
\$91,265

**Descriptive Paragraphs:**

An increasingly troublesome barrier to U.S. agricultural exports to China is the inconsistent and often onerous implementation by China of its sanitary and phytosanitary regulations at the border. This comes at a time of increased scrutiny of Chinese exports to the United States. This year the Food and Drug Administration (FDA) will deploy regulatory officials to China to help ensure the safety of exports to the United States. This development presents a unique opportunity to leverage FDA's presence in China to share with Chinese authorities our science-based approach to agricultural trade, including the concept of relating food safety efforts to actual risks posed by specific products.

The success of U.S. agricultural exports relies in part on foreign understanding of and confidence in the U.S. food safety system. Countries that perceive the U.S. food safety system as ensuring the safety of U.S. foods are less likely to impede access for US exports. The U.S. FDA regulates eighty percent of US food products and is recognized worldwide as a leader in food safety regulation. The presence of FDA regulatory officials in China starting this September presents a unique opportunity for FAS to bring together Chinese and U.S. food safety experts to share important information regarding the shared objective of the safety of all foods both domestic and imported.

FAS proposes to facilitate a roadshow to bring together China Inspection and Quarantine Bureau (CIQ) with new FDA attaches and Customs and Border Patrol officials. The roadshow will highlight the U.S. regulatory import inspection and clearance process while simultaneously providing a forum for a reciprocal sharing of the Chinese system. An increased understanding of the regulations and regulatory structures will allow officials from both countries to identify and address complementary and disparate processes utilized by the China and the United States. This increased mutual understanding of our two systems will facilitate the timely resolution of issues affecting U.S. exports to China. In addition, the roadshow will provide a foundation for future work to more closely align the Chinese and U.S. regulatory systems, where appropriate.

The roadshow will travel through major Chinese import provinces over a two week period. In each selected province, FDA and CPB officials will examine import inspection and clearance processes with their Chinese counterparts, followed by a discussion of issues related to these processes. The objective of the workshops will be to build mutual understanding and confidence in these systems. The primary goal is to enhance U.S. exports to China.

China CIQ Roadshow				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Facilitator per diem	6	\$381	14	\$32,004
Facilitator domestic travel	6	\$500	4	\$12,000
Conference Room	1	\$1,000	8	\$8,000
Reception for CIQ, CBP officials	1	\$1,000	4	\$4,000
Local transportation	1	\$336	10	\$3,360
Interpreter	1	\$1,600	10	\$16,000
Miscellaneous	1	\$700	2	\$1,400
<b>Subtotal:</b>				<b>\$76,764</b>
OCBD Staff Time				\$14,501
<b>Total:</b>				<b>\$91,265</b>

**Activity Title:** China Food Safety Regulatory Engagement—Risk Analysis and Data Collection

**Country:** China

**Total Budget:**  
\$259,234

**Descriptive Paragraph:**

Chinese adoption of restrictive, non-science based regulations related to pathogens, veterinary drugs and pesticides currently limits U.S. exports in chicken, pork and vegetables, respectively. The current increased awareness regarding food safety in China provides an opportunity for cooperation between the US and Chinese ministries. This cooperation will promote the adoption of science-based food safety regulations that will facilitate US exports to China. In order to meet the FAS objective to reduce sanitary and phytosanitary barriers to trade, the United States must provide technical assistance in the form of risk analysis training and data collection/evaluation. Risk analysis training and cooperation at a technical level provides the foundation for science-based standards related to pathogens, veterinary drugs and pesticides.

In FY08, China and the United States began a series of cooperative workshops to provide the hands-on training needed to link past risk analysis training to the effort to incorporate risk modeling in the regulatory framework for China's pesticide food safety program. FY09 workshops will provide additional training to facilitate the integration of dietary risk modeling with other programs on field trials into a coherent pesticide regulatory program. In addition to the continuation of dietary risk modeling, FAS proposes to provide other training related to pathogens and veterinary drugs, two areas where the current restrictive policies related to pathogens, Salmonella in chicken, and the veterinary drug, ractopamine in pork, have stopped exports to China. These activities will enhance the adoption and implementation of science-based regulations that will facilitate Chinese market access for U.S. exports.

Workshops will focus on the following areas: veterinary drug registrations; food safety risk modeling of pathogens, veterinary drugs and pesticides; meat and poultry risk management related to pathogens; OIE standard setting and interpretation; and regulatory cooperation on pesticide management and registrations. EPA, FDA, FSIS and former regulatory official consultants will provide the needed expertise to facilitate these workshops. Each workshop will focus on one of two separate phases of the regulatory process: the data collection and modeling needed to support the adoption of a regulation; and the implementation of regulations in provinces and at the border. The workshops may also take place in conjunction with important U.S. events, training, or other meetings that share the same thematic element. This two-pronged approach will result in a balanced and comprehensive response to current SPS and food safety barriers to U.S. exports.

China FS Regulatory Engagement—Risk Analysis				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
U.S. or Chinese Travel China-U.S.	3	\$2,000	9	\$54,000
U.S. or Chinese Per diem	3	\$381	54	\$61,722
Chinese Participant hotel (for China Workshops)	15	\$50	54	\$40,500
Conference facilities	1	\$350	45	\$15,750
Documents/Materials	1	\$300	9	\$2,700
Consultant Fee	1	\$570	10	\$5,700
Translation/Interpretation	1	\$900	45	\$40,500
Miscellaneous	1	\$3,500	1	\$3,500
				<b>Subtotal: \$224,372</b>
OCBD Staff Time				\$34,862
				<b>Total: \$259,234</b>



Activity Title:  
India SPS Capacity-Building Activities

**Country:**  
India

**Total Budget:**  
\$171,164

**Descriptive Paragraphs:**

FAS has the goal of advancing its bilateral trade interests based on sound science and challenges to technical barriers to trade (Objectives 3.1 and 3.2). The U.S. and India have significantly different approaches to the development and implementation of food safety and animal and plant health regulations. This has led to opposing positions on a number of important WTO SPS/TBT, Codex, OIE, and IPPC issues in recent years that are being discussed under the Trade Policy Forum. The inherent differences between India and the U.S. with respect to regulatory decision-making are based on concepts of the degree of acceptable risk analysis and the use of sound, justifiable science when developing these regulations, which conveys differences in the countries' fundamental paradigms of consumer protection and trade promotion. India has implemented numerous regulations that impose new requirements for importing agricultural products into India without notifying the WTO SPS Committee. The implemented regulations are not based on sound science and have negatively affected a majority of the agricultural imports from the United States, while offering no apparent enhancement to food safety or animal and plant health. Specific products which have faced SPS and TBT barriers include: almonds; apples; pears; pulses; poultry; bovine semen; dairy products; and pet food.

**Activities**

Through directed technical seminars and outreach, FAS proposes to mitigate these trade barriers by assisting the Indian government and industry to navigate and implement sound food regulatory systems that comply with international standards. In FY07 and FY08, FAS conducted food safety meetings in India and the United States with participation from the Ministry of Health, Ministry of Food Processing Industries, Ministry of Commerce, the Confederation of Indian Industry, and the Federation of Indian Chambers of Commerce and Industry. In the course of these meetings, the following technical assistance activities were identified to aid in the implementation of India's Food Safety and Standards Law with the goal of improving trade and harmonizing India's SPS infrastructure with international norms.

Animal Health Follow-up – Meat Cuts Course at Texas A&M

This activity will be a follow-up to the September 2008 Animal Disease Control and Management workshop that took place in India. It will involve bringing a group of six Indian participants to the U.S., under the Cochran Fellowship program, to attend a hands-on week-long course at Texas A&M to learn about how animals are raised, fed and handled. Participants will also learn about meat grading and will be given a unique opportunity to cut an entire side of beef into component parts while discussing anatomy, cut identification and component yields. A wrap-up following the course will focus specifically on animal health regulatory issues will be presented by USG personnel.

Executive-level visit to India for an overview of the Food Safety System

Directed toward new and high-level officials in the Government of India and India's Food Safety and Standards Authority (FSSA), these meetings will involve an overview of the U.S. food regulatory system and will address the formulation of sound laws and the implementation and enforcement of those laws using science-based decision-making and adherence to the WTO agreement. The USG delegation will discuss possible mechanisms for stakeholder input into the

FSSA rulemaking process, that is, how to involve small and medium enterprises and increase cooperation from the domestic and foreign private sector.

Training programs for Good Agricultural Practices (GAP) and HACCP

This activity will provide guidance to regulators from the Indian Ministry of Agriculture and the FSSA on how to establish and enforce agricultural and processing practices that protect the safety of the food supply from field to port.

Best Practices training on setting maximum residue levels (MRLs):

This workshop will be conducted in the context of inter-agency cooperation and the use of CODEX in establishing MRLs. It will involve collaboration with regulators from ministries for the Environment, Agriculture, etc.

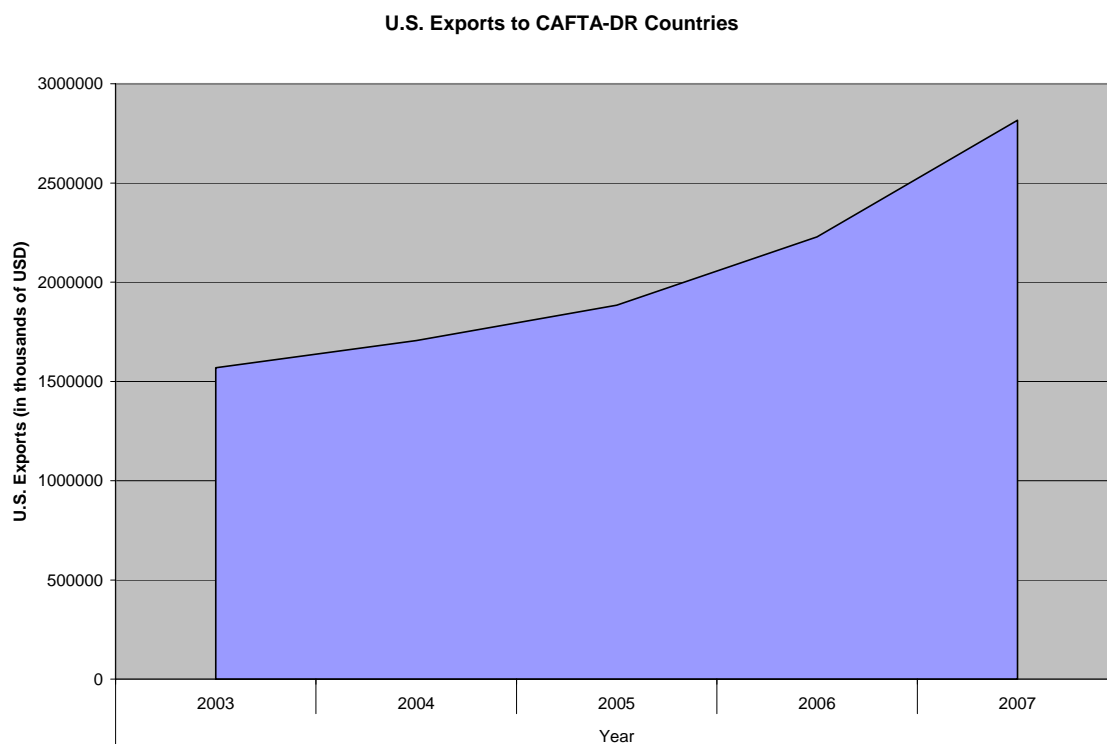
India SPS Capacity Building				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>Animal Health Follow-up - Cochran Fellows to Texas A&amp;M Meat Cuts Course</i>				
Participant Travel	6	\$5,000	1	\$30,000
Participant Per diem	6	\$125	7	\$5,250
USG Travel	2	\$600	1	\$1,200
USG Per diem	2	\$125	4	\$1,000
Training & Seminar Fee	1	\$3,300	1	\$3,300
Wrap Seminar	1	\$3,000	1	\$3,000
Translation	1	\$4,500	1	\$4,500
Miscellaneous			<b>Activity 1</b>	<b>\$48,250</b>
<i>Food Safety System Overview for Senior Level Officials</i>				
USG Travel	2	\$3,500	1	\$7,000
USG Per Diem	2	\$486	7	\$6,804
Consultant Travel	1	\$3,500	1	\$3,500
Consultant Per Diem	1	\$486	7	\$3,402
Consultant Fee	1	\$570	9	\$5,130
Local Indian Staff Support	1	\$1,500	1	\$1,500
Miscellaneous	1	\$2,000	1	\$2,000
			<b>Activity 2</b>	<b>\$29,336</b>
<i>GAP and HACCP Training</i>				
USG Travel	2	\$3,500	1	\$7,000
USG Per Diem	2	\$486	7	\$6,804
Consultant Travel	1	\$3,500	1	\$3,500
Consultant Per Diem	1	\$486	7	\$3,402
Consultant Fee	1	\$570	9	\$5,130
Venue	1	\$4,000	1	\$4,000
Local Indian Staff Support	1	\$1,500	1	\$1,500
Miscellaneous	1	\$2,000	1	\$2,000
			<b>Activity 3</b>	<b>\$33,336</b>
<i>Best Practices Setting MRLs</i>				
USG Travel	1	\$3,500	1	\$3,500
USG Per Diem	1	\$486	7	\$3,402
Consultant Travel	1	\$3,500	1	\$3,500
Consultant Per Diem	1	\$486	7	\$3,402
Consultant Fee	1	\$570	9	\$5,130
Venue	1	\$4,000	1	\$4,000
Local Indian Staff Support	1	\$1,500	1	\$1,500
Miscellaneous	1	\$2,000	1	\$2,000
			<b>Activity 4</b>	<b>\$26,434</b>
			<b>Subtotal:</b>	<b>\$137,356</b>
OCBD Staff Time				\$33,808
			<b>Total:</b>	<b>\$171,164</b>

### Western Hemisphere

In addition to playing key roles in the U.S. political and national security agenda, Western Hemisphere markets includes some of our largest trading partners, many of which seek capacity building resources and closer collaboration in international standard setting bodies. USDA's agricultural trade priorities in the Western Hemisphere are to leverage FTAs to gain increased market opportunities and to develop allies in the international standard setting bodies.

U.S. FTA and TPA partners include the CAFTA-DR, Chile, Colombia, North America Free Trade Agreement (NAFTA), Panama and Peru. The CAFTA-DR FTA was the first to include a chapter on trade capacity building. Since 2005, the United States has supported collaboration with its CAFTA-DR partners through the CAFTA-DR SPS Capacity Building Program, which – with U.S. AID and USDA funds – supports activities in SPS systems. This EMP proposal identifies projects that are designed to complement previous projects and address key issues affecting U.S. agricultural exports. FY 09 EMP activities will assist targeted countries in TRQ administration and in drafting and implementing science-based, trade facilitative SPS laws, in line with their FTA obligations.

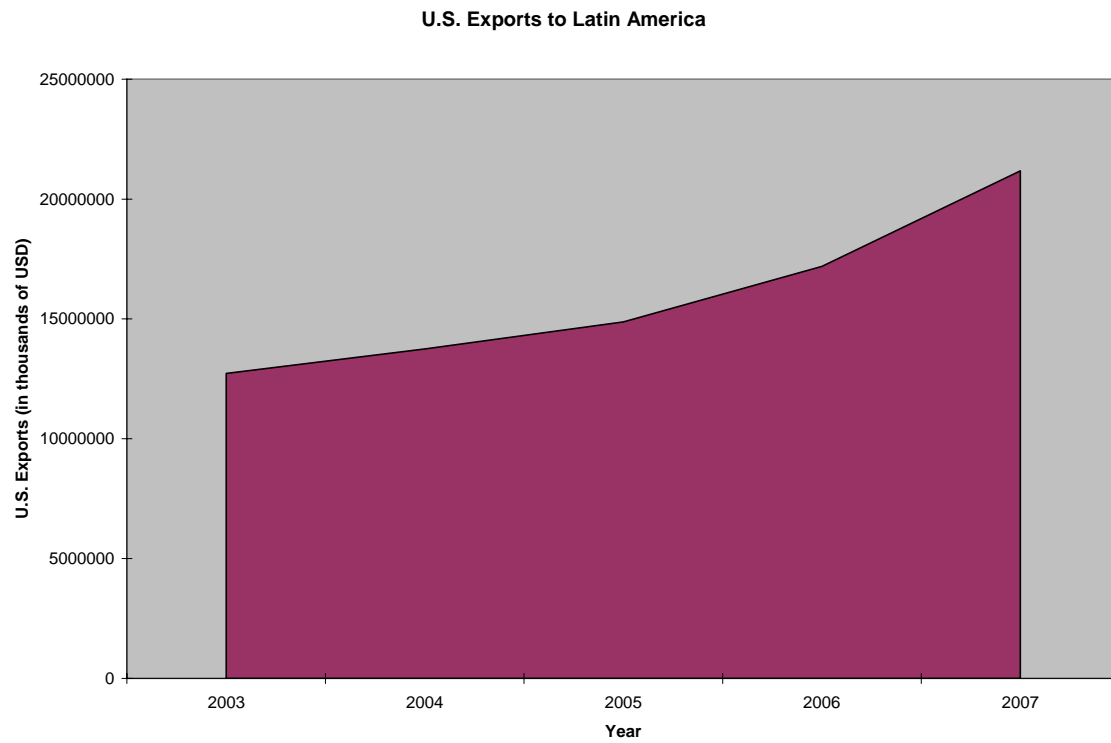
#### Graph 1



USDA is leveraging its role in regional organizations to develop a coalition of countries that can advance science-based and trade-facilitative positions within the international standards setting bodies. Coordination with the Inter-American Institute for Cooperation in Agriculture (IICA) is encouraging greater understanding and adoption in the hemisphere of international standards relating to OIE, IPPC, and Codex. USDA and the U.S. Codex Office are exploring opportunities to share relevant food safety information with the Codex Coordination Committee for Latin America and the Caribbean (CCLAC). USDA plans to enhance ability in the region to effectively engage issues in Codex. This support will enhance U.S. and Latin American efforts to collaborate on joint

issues in Codex.

**Graph 2**



**Activity Title:**

Animal Health Surveillance Systems Technical Assistance

**Countries:**

CAFTA-DR Countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic), Peru and Panama

**Total Budget:**

\$144,094

**Descriptive Paragraph:**

The activity will increase the SPS regulatory capacity of CAFTA-DR FTA countries to support the adoption of science based standards set by WTO and the World Organization for Animal Health (OIE), while supporting FAS's three strategic goals. Through coordination with APHIS and appropriate ministry officials, OCBT will implement two trade capacity building activities focused on animal health surveillance systems; activities will build upon previous work done to eliminate SPS and TBT barriers through identifying animal health surveillance system deficiencies. By helping CAFTA-DR countries develop a sound animal health infrastructure; the U.S. will increase market access for U.S. animal products, improve the understanding of U.S. regulatory systems, and increase international transparency on regulations.

**Activities**

International Standards Training: Using U.S. Model as the Country Case Study

This activity will give participants an overview of how the OIE and other international standard setting bodies work and outline country requirements for meeting WTO commitments. The regional training will take place in Panama and will include three participants from each country. The first two days will address international standards, with the third day showcasing and encouraging the adaptation of the U.S. animal health system. Individual country consultations to identify gaps in animal health surveillance will address U.S. market access constraints during the course. Additionally, because these countries currently restrict U.S. exports of meat over 30 months of age, BSE will be used throughout the activity as a disease case study. It is anticipated this technical training will result in an estimated \$5 million per year increase of U.S. animal product exports.

Regionalization Procedures for the Re-Exportation of U.S. Poultry from Guatemala

In order to re-export poultry to neighboring countries, Guatemala must be declared free of High Path Avian Influenza and Exotic Newcastle Disease at all points of possible contamination, including storage facilities at the port, processing facilities, and the area from where the product is re-exported. To assist Guatemala to achieve disease-free zones, FAS will provide a series of technical consultations that will increase Guatemalan understanding of specific protocols required for re-export of U.S. poultry meat to neighboring markets. Technical consultations will address veterinary infrastructure and privately owned processing facilities gaps to meet protocols for re-export. One privately owned facility has already invested \$400,000 to meet FSIS recommendations provided during earlier technical assistance efforts, with an expected additional \$1 million to be invested by the Guatemalan government and private sector to meet re-exportation protocols.

The trade impact of this activity is estimated at an increase of \$15-20 million of U.S. poultry exports to Guatemala annually.

Animal Health Surveillance Systems Technical Assistance				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>International Standards Training</i>				
Int'l Airfare <sup>1</sup>	1	\$1,000	3	\$3,000
Participant Perdiem	21	\$254	5	\$26,670
Consulting Fees	3	\$550	8	\$13,200
Consultant Travel	4	\$4,000	1	\$16,000
Hotel Package	1	\$8,000	1	\$8,000
Documents/Materials	1	\$1,000	1	\$1,000
Translation/Interpretation	1	\$1,000	4	\$4,000
Miscellaneous	1	\$3,000	1	\$3,000
<b>Activity 1</b>				<b>\$74,870</b>
<i>Regionalization Procedures</i>				
Consulting Fees	1	\$550	35	\$19,250
Consultant Travel	1	\$4,000	4	\$16,000
Documents/Materials	1	\$1,000	1	\$1,000
Translation/Interpretation	1	\$3,000	1	\$3,000
Miscellaneous	1	\$2,000	1	\$2,000
<b>Activity 2</b>				<b>\$41,250</b>
<b>Subtotal:</b>				<b>\$116,120</b>
OCBD Staff Time				\$27,974
<b>Total:</b>				<b>\$144,094</b>

**Activity Title:**

Latin America and International Standards Setting

**Region:**

Latin America & Caribbean

**Total Budget:**

\$210,901

**Descriptive Paragraph:**

In June 2008, the United States held a meeting with the Coordinating Committee for Latin America and the Caribbean (CCLAC) in Guatemala, to increase dialog and cooperation with the 33 CCLAC countries on U.S. priority issues within Codex. This effort was designed to address the U.S. industry's frustrations with the European Community's (EC) 26 countries that vote as a block on issues within Codex. The 26 EC votes in Codex are often at odds with U.S. positions on issues. This leads to consternation for U.S. exporters who are finding it increasingly necessary to adopt Eurocentric standards and practices, increasing producer costs and limiting market access. In addition, one key element within CCLAC that has been marginalized has been the Caribbean countries. Because they are net importers of U.S. products, they often support U.S. positions. Both USG and the industry have been concerned by the fact that recently Caribbean countries have been adopting European standards that do not facilitate trade with the United States. The U.S. industry has requested that the U.S. government counter the EC by building greater cooperation with 33 CCLAC countries, and in particular the Caribbean countries to build a powerful block of voting nations on Codex issues.

During the June CCLAC meeting, the United States and the CCLAC countries agreed to advance cooperation and continue dialog on addressing each others needs on Codex issues. The U.S. Codex Office agreed to host a November 2008 meeting to address CCLAC countries concerns that they do not have the resources to participate effectively in Codex meetings and that the Codex Trust Fund will not fund their participation. The CCLAC countries are requesting a new trust fund be established to address their needs. The United States will provide the following training for the CCLAC delegates to advance our partnership with CCLAC, to ensure the Caribbean standards are U.S. trade friendly, to garner support for U.S. positions in Codex, and avoid creation of another trust fund.

FAS will build on the Codex training that was provided by IICA in mid 2008, by continuing the training via webcasting with the CCLAC Codex Contact Points and the countries' delegates. We will work with the Codex delegates to build their capacity in effectively preparing and participating in Codex plenary meetings in support of U.S. positions by forming regional alliances on key issues, developing interventions at plenary meetings and effectively promoting the regional agenda relating to Codex. The EMP funding will also support travel of these delegates to Codex meetings on fish, fresh fruits and vegetables, pesticides, food hygiene, and processed fruits and vegetables to support the United States.

Activity accomplishments will be measured by Codex Committee meeting attendance and comments submitted by CCLAC Nations to Codex in support of high priority issues to U.S. agricultural trade. Results should also indicate that Latin American and Caribbean nations have an efficient method for processing information from Codex and coordinating the formation of national positions in response to Codex circulars.



Latin America and International Standards Setting				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>International Meetings via Web Cast</i>				
Country Web Cast Venue	10	\$750	2	\$15,000
Meeting Costs in-country (lunch, misc)	10	\$250	2	\$5,000
Documents/Materials	10	\$75	2	\$1,500
Translation/Interpretation	6	\$500	2	\$6,000
Miscellaneous	10	\$100	2	\$2,000
			Activity 1	\$29,500
<i>Travel to Codex Meetings</i>				
Participant Travel & Perdiem:				
Meeting on Fish	10	\$2,100	1	\$21,000
Meeting on fresh fruits & vegetables	9	\$1,982	1	\$17,838
Meeting on pesticides	9	\$2,000	1	\$18,000
Meeting on food hygiene	10	\$1,200	1	\$12,000
Meeting on processed fruits/veg.	8	\$1,200	1	\$9,600
Miscellaneous	1	\$600	1	\$600
			Activity 2	\$79,038
			Subtotal:	\$187,576
OCBD Staff Time				\$23,325
			Total:	\$210,901

**Project Title:**

Microbiological Standard Setting

**Country:**

Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, 4 Caribbean Countries

**Total Budget:**

\$199,091

**Descriptive Paragraph:**

Central American and Caribbean countries provide important markets for U.S. exports which need to be maintained and expanded. The rise in regional regulations more restrictive than U.S. regulations can close these markets to U.S. exporters. The estimated market for Central America and the Caribbean for U.S. agricultural exports is \$4 billion.

In March 2008, the Central American countries proposed to adopt regional microbiological standards for foods which are likely to restrict U.S. exports in raw poultry and produce, if implemented. FAS estimates the raw poultry exports at \$59.8 million in the region. FAS, in collaboration with the FDA and FSIS, began a series of interventions to promote the revision of these regulations to scientific, risk based standards that facilitate trade. In 2008, FAS organized a two day technical workshop to address specific issues with the proposed regulations. A follow-up workshop will provide more in-depth coverage of topics raised the in the 2008 microbiological risk workshop. FAS will work with international organizations to develop this regional, 3-day workshop that will provide guidance for developing regional regulations. In addition, five Borlaug Fellows will be identified for longer-term collaboration between Central American countries and the United States to address the highest priority areas in microbiological risk management. FAS anticipates that these combined efforts will result in the adoption of science based standards by these countries and meet the FAS goal to reduce restrictive SPS measures and maintain U.S. exporter access to regional markets for raw poultry and produce.

The Caribbean region is also developing regional regulations and will therefore also be included in the workshop. Their participation in the workshop will promote the adoption of science based microbiological standards to facilitate trade.

Microbiological Standard Setting				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>Pathogen Risk Assessment in Latin America &amp; the Caribbean</i>				
Participant Travel to Colombia	14	\$800	1	\$11,200
Participant Perdiem	14	\$234	5	\$16,380
USDA Travel	5	\$1,000	1	\$5,000
USDA Perdiem	5	\$234	7	\$8,190
Conference Package	1	\$4,000	1	\$4,000
Documents/Materials	1	\$2,000	1	\$2,000
Translation/Interpretation	1	\$5,600	1	\$5,600
Miscellaneous	1	\$3,500	1	\$3,500
<b>Activity 1</b>				<b>\$55,870</b>
<i>Pathogen Risk Borlaug Fellows</i>				
Participant Travel	5	\$1,500	1	\$7,500
Participant Perdiem	5	\$75	45	\$16,875
Tuition & Board Fees	5	\$16,000	1	\$80,000
Domestic Travel	5	\$750	1	\$3,750
Medical Insurance	5	\$400	1	\$2,000
Miscellaneous	1	\$1,000	1	\$1,000
<b>Activity 2</b>				<b>\$111,125</b>
<b>Subtotal:</b>				<b>\$166,995</b>
OCBD Staff Time				\$32,096
<b>Total:</b>				<b>\$199,091</b>

**Activity Title:**

OIE Veterinary Service laboratory Training

**Country:**

Emerging Markets of Latin America

**Total Budget:**

\$67,439

**Description**

The U.S. suffers from market access issues for meat, poultry and live animals to Latin America due to the improper understanding and implementation of OIE Guidelines. Restrictions on U.S. beef exist in the following countries because of non-compliance with OIE guidelines on BSE: Argentina; Barbados; Brazil; Chile; Colombia; Dominican Republic; Mexico; Peru and Uruguay. U.S. poultry exports are also restricted in several countries because of improper application of OIE guidelines on Avian Influenza (i.e. Argentina, Mexico, Colombia, Uruguay). Other countries restrict U.S. exports due to other animal health diseases such as scrapies, salmonella, and pseudo rabies (Chile, Colombia, Jamaica). This project proposes to support OIE training of veterinary service laboratory technicians in order to increase their technical ability to understand, implement and comply with OIE animal health guidelines.

**Activity**

FAS proposes supporting the OIE Regional Workshop entitled "First National Laboratories Meeting of Veterinary Services of the Americas" through the funding of selected speakers and targeted veterinarians from key trading partners in the Western hemisphere. The technical aspects of this training are managed by APHIS which ensures that the agenda addresses FAS trade concerns on BSE, AI, Salmonella and other zoonoses.

The objectives of this proposed workshop are in line with FAS' goals to facilitate trade of products of animal origin. The objectives are:

- 1) to promote and encourage adoption of international standards;
- 2) to facilitate the harmonization at regional level of scientific and technical methodologies;
- 3) to promote science-based legislation through strengthening regional network of OIE laboratories;
- 4) to stimulate and improve national veterinary lab management capacity, therefore increasing their ability to understand and implement animal health and food safety standards;

Funding is requested to bring targeted veterinarians from government regulatory and veterinary services to the OIE, APHIS, FAO workshop. FAS/WDC will work with Post and APHIS to identify key, influential, official veterinarians from the L.A. countries to ensure that U.S. policy and trade concerns are heard by the appropriate decision makers. The participation of key government officials in the workshop will help increase the capacity of emerging markets in Latin American countries to implement OIE standards. The adoption and compliance of OIE standards will greatly increase market access and exports to Latin America.

FAS/OSTA will ensure that the agenda addresses the key items restricting U.S. exports to Latin America (i.e. salmonella, BSE, AI, etc.). FAS/OSTA will identify the appropriate speakers to present and address the technical issues that underlie the trade barriers erected by L.A. countries. A close working relationship between FAS, APHIS and OIE ensures that the U.S. trade concerns are addressed in a scientific matter under the auspices of this multilateral forum thus increasing the likelihood of influencing decision makers and opening markets.

OIE Veterinary Service laboratory Training				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Speaker Travel	3	\$3,000	1	\$9,000
Speaker Per diem	3	\$220	3	\$1,980
Participant Per diem	20	\$220	3	\$13,200
Participant Airfare	20	\$1,700	1	\$34,000
<b>Subtotal:</b>				<b>\$58,180</b>
OCBD Staff Time				\$9,259
<b>Total:</b>				<b>\$67,439</b>

**Activity Title:**

Participation in CAFTA DR Customs Union Committees

**Countries:**

Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua

**Total Budget:**

\$125,398

**Descriptive Paragraph:**

The Central America- Dominican Republic Free Trade Agreement (CAFTA-DR) promotes two-way trade between Central America and the Dominican Republic and the United States. Although the CAFTA-DR agreement is gradually resulting in the reduction of tariff barriers, through a 2-3 year process of Customs Union technical committee meetings on specific SPS issues, Central American countries are currently considering sanitary and phytosanitary (SPS) measures which could negatively impact U.S. exports in the region.

**Activity**

In 2006, the U.S Food and Drug Administration was invited to send a food additive expert to provide U.S. perspective, insight, and advice to the customs union technical committee meetings that were developing food additive regulations. This expert was in a unique position to influence the committee to adopt regulations in line with those in the United States. FAS proposes to establish a program through which other U.S. regulatory experts from FDA, FSIS, and APHIS will be available to provide expert advice to other SPS technical committees to ensure science based rules, that correspond with international and U.S. regulatory standards, are adopted in the region; thus future trade problems can be avoided.

The activity will provide a U.S. expert consultant to four Central America Customs Union Technical Committees for two consultations each in 2009. Each consultant will provide expert advice on appropriate regulatory measures that address food safety or labeling concerns while reducing technical barriers to trade. FAS anticipates that expert consultations will ensure that science based and trade facilitating regulations will be adopted. This activity will avoid future trade interruption of U.S. agricultural exports to the Central American region by reducing restrictive SPS measures. Current U.S. exports to the Central American region total \$1.9 billion.

<b>Participation in Central America-DR Customs' Union Committees</b>				
<b>Description</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Days, Nights, Occurrences</b>	
Consultant Travel to Central America	2	\$1,000	8	\$16,000
Consultant Perdiem	2	\$234	56	\$26,208
Consultant Fee	2	\$570	30	\$34,200
Documents/Materials	1	\$5,000	1	\$5,000
Translation/Interpretation	1	\$20,000	1	\$20,000
Miscellaneous	1	\$3,500	1	\$3,500
<b>Subtotal:</b>				<b>\$104,908</b>
OCBD Staff Time				\$20,490
<b>Total:</b>				<b>\$125,398</b>

<sup>1</sup>Venue and equipment: provided by Central American Customs Union

**Activity Title:**

TPA Legislation Consult

**Country:**

Peru

**Total Budget:**

\$57,914

**Description:**

The Government of Peru recently approved one package of implementing legislation for the US-Peru bilateral free trade agreement – the Trade Promotion Authority (TPA). The Government of Peru already has used the trade agreement as a vehicle for advancing major reforms and restructuring of the Ministry of Agriculture and related organizations, as well as for significant reform of regulations related to land tenure, water use, food safety and agreement-related compensation.

USDA/FAS is seeking funding to support two activities: 1) to hire contractors to consult with the Peruvian government on the drafting of further implementing regulations, and 2) to support a series of five outreach presentations conducted by the Peruvian Ministry of Agriculture for local government authorities, agricultural producers and industry representatives in different regions of the country. The consultants hired would focus on regulations of interest to the U.S., including food safety, the animal and plant health agency, and biotechnology to help ensure that the eventual regulations are based on sound science and international norms.

These activities would support the USDA/FAS goal of expanding the global agricultural trading system by developing capacity within governments to implement open, market-based trade policies and to regulate trade in agricultural and food products on the basis of transparent, science-based requirements. They would further assist in reducing technical trade barriers and restrictive SPS measures and thereby promote U.S. exports.



TPA Legislation Consult				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>Consultation</i>				
Consulting Fees	2	\$570	15	\$17,100
Consultant Travel	2	\$3,000	1	\$6,000
Documents/Materials	1	\$1,000	1	\$1,000
Miscellaneous	1	\$1,000	1	\$1,000
<b>Activity 1</b>				<b>\$25,100</b>
<i>TPA Outreach</i>				
Local Consulting Fees	2	\$450	17	\$15,300
Seminar Venue	1	\$2,500	1	\$2,500
Documents/Materials	1	\$1,500	1	\$1,500
Miscellaneous	1	\$2,500	1	\$2,500
<b>Activity 2</b>				<b>\$21,800</b>
<b>Subtotal:</b>				<b>\$46,900</b>
OCBD Staff Time				\$11,014
<b>Total:</b>				<b>\$57,914</b>

**Activity Title:**

Tariff Rate Quota Administration in Peru and CAFTA-DR Countries

**Country: Western Hemisphere**

**Total Budget:**

\$41,325

**Description:**

A significant problem inhibiting U.S. exports to FTA partners is poor Tariff Rate Quota (TRQ) administrative systems. TRQs are an essential tool used in trade negotiations, which allow a slower liberalization on sensitive products, while at the same time allowing for some initial access for exporters. However, we have seen a number of FTA partners have difficulty in implementing TRQs for various reasons 1) unfamiliarity and lack of experience, 2) pressure from domestic producers, and 3) lack of resources. The result is blockage of U.S. exports under an FTA agreement. In the Western Hemisphere, the U.S. has signed FTA's with CAFTA-DR, Panama, Peru and Colombia, all which have TRQ provisions on sensitive products in their agreements. Peru and Costa Rica will be implementing the agreement in FY2009.

FAS proposes to implement intervening activities that will help establish the monitoring and compliance responsibilities for administration of the scheduled tariff reduction and the tariff-rate quotas negotiated under the FTAs. The training will help identified countries in the Western Hemisphere to develop effective TRQ administrative systems and/or improve existing systems that ensure that U.S. industry is able to take full advantage of the expanded access provided under the respective agreements.

These activities will support FAS objective 1.3 – to help build and maintain effective government-to-government relationships that support open trade and FAS objective 2.1 - provide trade-related assistance focused on developing capacity in order to support open, market-based trade policies that regulate trade on the basis of transparent, science-based requirements.

**Activity**

One week workshops will be developed in conjunction with input from the Office of the U.S. Trade Representative, FAS policy staff, and FAS overseas staff. The workshops will provide examples and case studies that compare and contrast World Trade Organization (WTO) consistent and inconsistent models of TRQ administration. This information will be followed by targeted training to assist countries in developing TRQ administrative systems specific to their markets and products. Progress will be assessed by monitoring changes to the TRQ administrative systems in these countries.

TRQ Administration				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Peru TRQ				
International Airfare	3	\$1,500	1	\$4,500
Perdiem	3	\$278	7	\$5,838
Venue	1	\$1,500	1	\$1,500
Documents/Materials	1	\$1,500	1	\$1,500
Translation/Interpretation	1	\$2,000	1	\$2,000
Miscellaneous	1	\$1,500	1	\$1,500
			Activity 1	\$16,838
CAFTA-DR TRQ				
International Airfare	3	\$1,500	1	\$4,500
Consultant Perdiem	3	\$265	7	\$5,565
Venue	1	\$1,500	1	\$1,500
Documents/Materials	1	\$1,500	1	\$1,500
Translation/Interpretation	1	\$2,000	1	\$2,000
Miscellaneous	1	\$1,500	1	\$1,500
			Activity 2	\$16,565
			Subtotal:	\$33,403
OCBD Staff Time				\$7,922
			Total:	\$41,325

**Activity Title:** U.S. Export Program Exchange with Guatemala and Honduras

**Country:** Organismo Internacional Regional de Sanidad Agropecuaria (OIRSA) and its member states, Guatemala and Honduras

**Total Budget:**  
\$69,071

**Descriptive Paragraph:**

OIRSA is a Regional Plant Protection Organization, of which Guatemala and Honduras are members, that conducts border inspections for both countries. Both countries are signatories of the Central America Free Trade Agreement-Dominican Republic (CAFTA-DR) and USDA has been supporting technical activities to promote an increase in two-way trade. OIRSA's role has negatively affected US agricultural interests because it does not adhere to the principles of the International Plant Protection Convention (IPPC) in the treatment measures it requires. Specifically, OIRSA is ordering fumigation of imports to generate income, not mitigate the risk of quarantine pests. The member countries, most notably, Guatemala and Honduras, may be relinquishing their national authority to OIRSA due to lack of infrastructure and confidence in their ability to adequately conduct pest risk analyses. OIRSA's actions have resulted in numerous delays, unwarranted fumigations, increased costs for US exporters and an increasing uncertainty about import requirements on the part of US exporters. Trade data indicates that the combined value of these two export markets for grains was \$428 million in 2007 and continues to show significant growth.

USDA (APHIS, FAS, GIPSA) would like OIRSA to base their phytosanitary actions on quarantine pest lists and import regulations developed by the NPPOs in member countries. We propose to visit the US to bolster the NPPO confidence in the phytosanitary status of US grain consignments and to convince them that the US export program does provide the needed phytosanitary protection. In addition to witnessing sampling and inspections of US grain consignments, we would review their Pest Risk Assessments (PRAs) and quarantine pest lists for science-based decisions. The second portion of the proposal includes a 1 week trip from APHIS and FGIS to Guatemala to meet with the NPPOs. The purpose of the visit would be to discuss the status (absence/presence) of specific grain pests in Guatemala, the importance of conducting surveys, and a thorough review of their inspection procedures and regulatory decisions made at the port. Our strategy is to provide the NPPOs with the science they need to make accurate, science-based decisions on quarantine issues and take responsibility for making phytosanitary decisions and move away from reliance on OIRSA's unfounded restrictions on imports. The success of this project can be measured by a significant reduction in costs to exporters of delays and consignments ordered for fumigation based on inaccurate pest risk assessments.

U.S. Export Program Exchange with Guatemala and Honduras				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
OIRSA to United States				
Travel: Guatemala*	3	\$1,800	1	\$5,400
Honduras*	3	\$1,800	1	\$5,400
Lodging & Per Diem: DC	6	\$265	2	\$3,180
Kansas City, MO	6	\$147	2	\$1,764
Houston, TX	6	\$161	2	\$1,932
New Orleans, LA	6	\$158	2	\$1,896
Destraham, LA	6	\$158	2	\$1,896
Insurance	6	\$150	1	\$900
			Activity 1	\$22,368
USDA U.S. Travel				
Travel: APHIS	1	\$1,800	1	\$1,800
Guatemala-US*	1	\$1,800	1	\$1,800
APHIS/Honduras*Lodging & Per Diem: DC	2	\$265	2	\$1,060
APHIS/FGIS**	3	\$900	1	\$2,700
FAS-DC**	1	\$900	1	\$900
Kansas City, MO	6	\$147	2	\$1,764
Houston, TX	6	\$161	2	\$1,932
New Orleans, LA	6	\$158	2	\$1,896
Destraham, LA	6	\$158	2	\$1,896
Misc. Travel	12	\$300	1	\$3,600
Insurance	6	\$150	1	\$900
			Activity 2	\$20,248
APHIS, FGIS Travel To Guatemala***				
Travel: Guatemala	4	\$1,800	1	\$7,200
Lodging & Per Diem: Guatemala City	4	\$227	5	\$4,540
Misc. Travel	4	\$300	1	\$1,200
			Activity 3	\$12,940
			Subtotal	\$55,556
OCBD Staff Time				\$13,515
			Total:	\$69,071

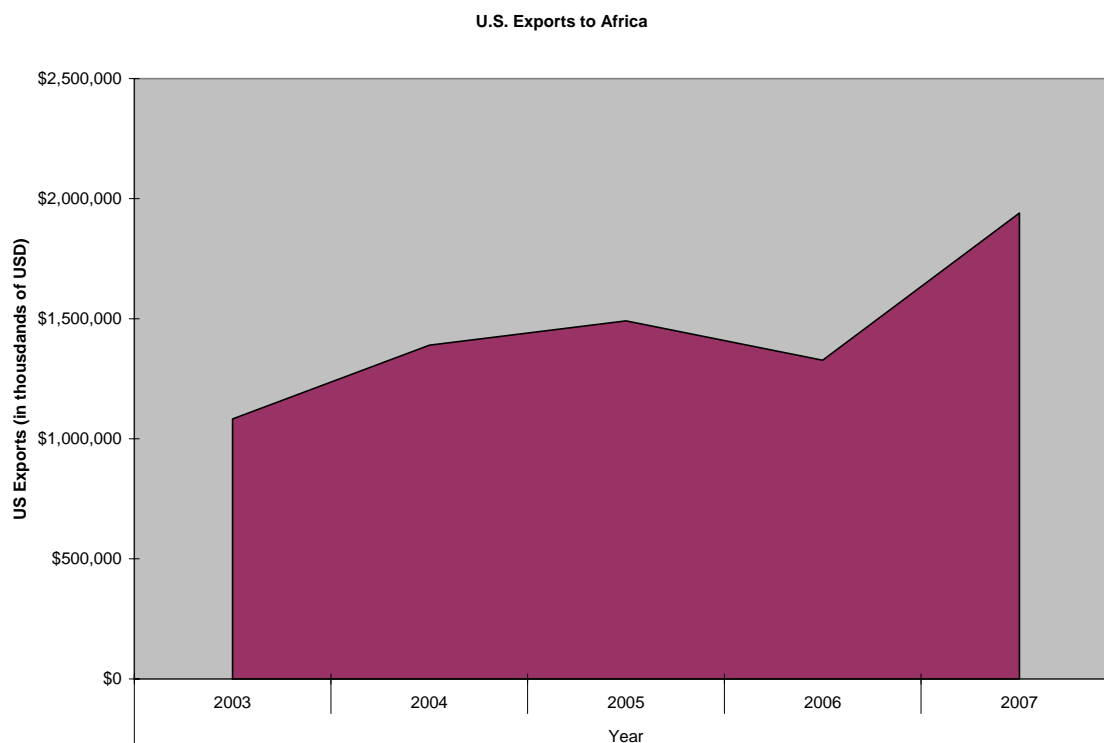
### Sub-Saharan Africa

Sub-Saharan African Nations represent important U.S. national security and political interests. In addition to the long-term export market potential for U.S. agricultural products, the region can also help advance U.S. food and agriculture interests in international forum once international policy and regulatory requirements are well understood by the region's decision makers. Resource and capacity constraints, along with a lack of political will in some cases, prevent implementation of transparent science-based SPS and technical regulations. Regulatory decisions are often made on a highly risk averse or, at times, political basis to protect the domestic industry. Many African countries often align their SPS and technical regulations with those of the EU, in order to meet EU requirements due to old colonial ties and since most of their exports are destined to that market. This alignment with EU regulations often involves application of the precautionary principle and often does not lead to science-based regulation. Resource constraints also prevent effective African participation in international standards setting bodies where international standards are debated and established. Many of these nations do not have the communication network established with their public and private sectors to identify and prioritize national issues that would be carried forth into international meetings. The U.S. Codex Office and FAS have begun working with the nations to improve preparation and participation in Codex meetings, involvement in regional Codex Committee Africa (CCA) meetings, and understanding of U.S. positions on priority issues.

The United States will engage Sub-Saharan African Nations to help improve their understanding and adoption of international standards, help them improve their Codex Offices' effectiveness, improve their ability to collect data and perform risk analysis to develop scientifically-based plant health standards, and increase their understanding of U.S. positions.

FAS will coordinate with the many international and bilateral donor organizations working on SPS capacity building in Sub-Saharan Africa. These organizations include the Standards and Trade Development Facility, FAO, WHO, World Bank, EU and various EU countries. However, none of these donors are addressing the issues targeted by FAS capacity building efforts.

**Graph 1**



**Activity Title:**

East Africa Phytosanitary Information Committee (with FAO)

**Country:**

East Africa

**Total Budget:**

\$114,885

**Descriptive Paragraph:**

The global community has developed a series of contracting agreements to govern the rules by which the international economy can thrive while simultaneously ensuring acceptable levels of risk related to the introduction of new pests. The WTO's International Plant Protection Convention (IPPC) is the intergovernmental standard-setting body to protect plant health; the Convention mandates that contracting nations provide pest status information to trading partners. Developing nations stand much to gain in the global marketplace by improving their ability to comply with IPPC guidelines, but this is often problematic given insufficient infrastructure or resources required to provide such information reliably and transparently. Through officially sanctioned web-enabled pest databases, countries are able to access reliable information locally for domestic programs as well as share critical information related to quarantine-sensitive pests to trading partners. On a regional basis, web-enabled databases empower Regional Plant Protection Organizations to combine resources and strategies for pest management and exclusion.

The East Africa Phytosanitary Information Committee (EAPIC) will develop accurate pest reporting methods that support phytosanitary requirements and promote trade in East Africa (both regionally and globally). This is being accomplished by simultaneously developing a web-enabled database configured with IPPC reporting requirements, supporting regular meetings of the EAPIC to monitor progress on database development, and to identify priority crops and pests. The web-based pest portal will enable East African countries to access reliable information locally for domestic products, as well as share critical information to satisfy international (WTO, FAO, trading partners) and regional (Common Market for East and South Africa - COMESA) obligations. On a regional and strategic basis, the web-based portal will enable Regional and National Plant Protection Organizations (RPPOs/NPPOs) to combine resources and strategies for pest management and exclusion.

In addition to building trade capacity within East Africa on greater adherence and understanding of IPPC guidelines, this activity will have a more immediate impact on facilitating U.S. food aid shipments to East Africa, by improving access to information on quarantine pests and contributing to the harmonization of regional phytosanitary regulations and border inspection protocols. In recent years, there have been a number of food aid shipments to East Africa that have been delayed due to a lack of harmonized phytosanitary regulations and border inspection protocols. Access to the web-based portal developed by EAPIC has already begun improving the clearance process for U.S. agricultural commodities.

**Activity**

FAS proposes to support the next EAPIC meeting, scheduled for late November 2008, so that the EAPIC can continue developing its web-based database. The regional EAPIC meeting will provide an opportunity for Committee members to identify areas of continued regional collaboration and to receive training in database management. The FAO is providing funds to support this effort, including salary for a coordinator for the Committee, computer hardware, and travel for FAO representatives.

The intended results of this activity are to build working relationships between the United States and among East Africa's RPPOs and NPPOs, to reduce the rejection or holding of U.S. food aid shipments to the region, to strengthen EAPIC database compatibility with other trade initiatives in East Africa, and to train IT personnel within East Africa to manage and maintain the web-based pest database.

This activity supports the U.S. trade policy agenda through trade capacity building activities (FAS objective 2.2) that assist new WTO members in implementing their agricultural commitments, as well as provide trade-related assistance focused on developing capacity within governments to regulate trade on the basis of transparent, science-based requirements (FAS Objective 2.1).



East Africa Phytosanitary Information Committee				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Participant Travel	20	\$2,000	1	\$40,000
Participant Meal Allowance (dinner + misc)	20	\$50	6	\$6,000
Venue/Lodging/Catered Lunches	1	\$25,000	1	\$25,000
Documents/Materials	1	\$1,500	1	\$1,500
USDA Representative Travel	2	\$7,000	1	\$14,000
Translation/Interpretation	1	\$3,000	1	\$3,000
Miscellaneous	1	\$2,500	1	\$2,500
<b>Subtotal:</b>				<b>\$92,000</b>
OCBD Staff Time				\$22,885
<b>Total:</b>				<b>\$114,885</b>

**Activity Title:**

Africa and international Standards Setting

**Region:**

Sub-Saharan Africa

**Total Budget:**

\$244,167

**Descriptive Paragraph:**

In 2008, FAS received EMP funding to perform a needs assessment for the national Codex Offices in seven African countries. FAS proposes to use the results of these assessments to carry out a series of in-depth trainings to strengthen the capacity of these Codex Offices to participate in Codex. Each national Codex office will learn how to better serve as a conduit of information between the national stakeholders and the Codex Secretariat. The Codex offices will also receive training on the formation of a country position that takes into account the various stakeholders' points of view, roles, and responsibilities within the Codex process. FAS will also sponsor Cochran Fellowships for seven Codex Committee delegates from Africa in order to strengthen their technical knowledge in key topics of trade importance to their nation. Finally, FAS will co-host a regional event with the U.S. Codex Office to encourage those Codex Offices that have received training to coordinate with neighboring nations and increase the impact of their training. The regional event will address regional needs and support action items identified in the Codex Coordinating Committee for Africa Strategic Plan.

This activity supports the FAS objective of the development and adoption of science-based international standards by encouraging participation in the Codex process and adoption of Codex standards into national law. The Codex Committees develop Codex Codes of Practices and Standards recognized by the World Trade Organization's Agreement on the Application of Sanitary and Phytosanitary Measures. If adopted, these standards will create a level international playing field for U.S. agricultural exports. However, Codex members from sub-Saharan Africa are largely marginalized in the Codex process due to the high cost and steep learning curve for effective participation. Discussion at the Codex Commission meeting in July 2008 suggested that many emerging market countries are dissatisfied with the current functioning of Codex and initiatives to include these partners in the process will ensure the relevance of Codex and its trade facilitation role in the context of the WTO. Alternatively, adoption of non-science based standards due to influences of other trading partners could disrupt the current U.S. agricultural exports to Africa which are estimated at \$2 million.

By creating a strong base of Codex leadership in seven key countries, FAS expects to lay the foundation for sustainable participation in Codex. Participating countries are likely to be instrumental in the implementation of the Codex Coordinating Committee for the Africa Strategic Plan. FAS will conduct a post-program survey of the capacity of participating African Codex Offices to assess the impact of the program compared with the results of a baseline survey completed in 2007. One expected outcome is for African nations to devote more resources to Codex work of highest priority to their industry and consumer base. Measures of work in high priority areas will be Committee meeting attendance and comments submitted to Codex on work of high priority. Results should also indicate that African nations have an efficient method for processing information from Codex and coordinating the formation of national positions in response to Codex circulars.

African International Standards Capacity Building				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
<i>Contact Point</i>				
Participant Travel to Ghana	20	\$1,500	0.5	\$15,000
Participant Perdiem	20	\$230	2.5	\$11,500
USDA Travel to Ghana	3	\$2,500	1	\$7,500
USDA Perdiem	3	\$230	7	\$4,830
Conference Package	1	\$6,000	0.5	\$3,000
Documents/Materials	1	\$350	1	\$350
Consultant Fee	1	\$570	9	\$5,130
Translation/Interpretation	1	\$5,600	0.5	\$2,800
Miscellaneous	1	\$3,500	0.5	\$1,750
<b>Activity 1</b>				<b>\$51,860</b>
<i>Cochran Fellowships</i>				
Participant Perdiem	7	\$3,000	1	\$21,000
Training Fee	1	\$45,000	1	\$45,000
Domestic Travel	7	\$1,000	1	\$7,000
Medical Insurance	7	\$200	1	\$1,400
Miscellaneous	1	\$1,000	1	\$1,000
<b>Activity 2</b>				<b>\$75,400</b>
<i>1 on 1 Assistance</i>				
USDA Travel to Seven Countries	2	\$3,500	1	\$7,000
USDA Perdiem	2	\$225	51	\$22,950
Consultant Fee	1	\$570	60	\$34,200
Documents/Materials	1	\$750	1	\$750
Translation/Interpretation	1	\$5,600	1	\$5,600
Miscellaneous	1	\$3,500	1	\$3,500
<b>Activity 3</b>				<b>\$74,000</b>
<b>Subtotal</b>				<b>\$201,260</b>
OCBD Staff Time				\$42,907
<b>Total:</b>				<b>\$244,167</b>

<sup>1</sup> Interpretation, meeting rooms, and equipment will be provided by the host government in each country.

### Eurasia

The United States has strong strategic interests in this region. The countries in the Eurasia region were part of the former Soviet Union. Russia remains the dominant player in this region and many of the countries either as a result of geographic necessity or due to a lack of technical capacity look to Russia for guidance on their SPS regime. Other countries look to Russia because it an important export market. However, most of the countries in this region, including Russia, are in the process of joining the World Trade Organization, or have recently joined. As a result they are being asked to reform their SPS regime to bring it in line with WTO SPS norms and are looking outside of Russia for guidance.

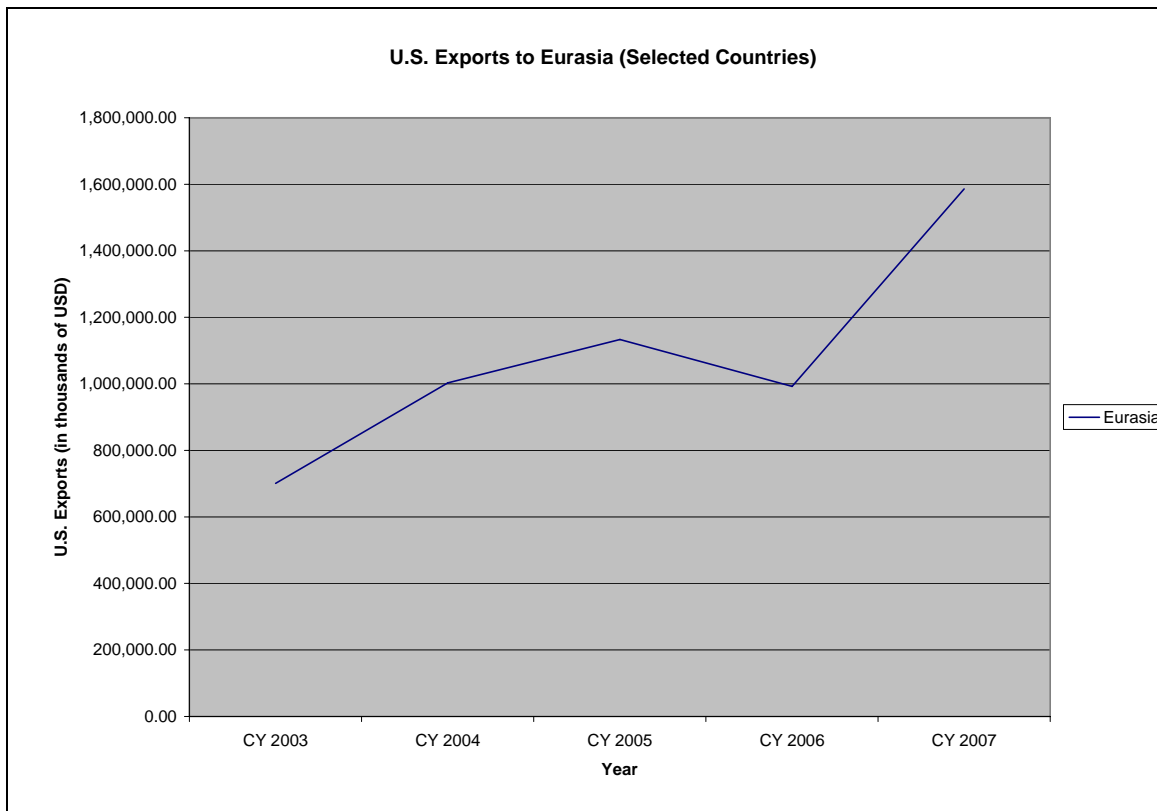
Azerbaijan: Azerbaijan is very active in their WTO accession process. They have held at least one multilateral meeting per year to review their progress. Azerbaijan has also notified their first notification through their newly created National Notification Authority although they are not yet a WTO member. Despite their best efforts, additional technical assistance is needed to ensure they continue in the right direction on their sanitary and phytosanitary regime. The U.S. shipped \$7 million in agricultural exports to Azerbaijan, the majority is in poultry meat.

Kazakhstan: Kazakhstan is also very active in their WTO accession process. The United States held several bilateral meetings in the last year to work out some of the outstanding SPS issues. Since 2006, the FAS technical assistance program to Kazakhstan has focused on implementing a memorandum of understanding with Kazakhstan for agricultural cooperation. The FAS program addresses U.S. issues related to Kazakhstan's WTO accession. The U.S. shipped over \$20 million in agricultural exports to Kazakhstan. The U.S. poultry industry estimates that actual poultry shipments to Kazakhstan are underestimated and are valued closer to \$70 million.

Russia: Russia has held multiple meetings, both bilaterally and multilaterally, to discuss outstanding SPS issues as part of their WTO accession negotiations. Despite frequent discussions, great differences remain. Emphasis has been on their ongoing efforts to harmonize technical regulations on SPS with international standards and process of developing new WTO consistent legislation. U.S. agricultural exports to Russia were \$1.3 billion in 2007.

Ukraine: Ukraine became the 152nd WTO member in July 2008. Even though Ukraine agreed to comply with their WTO commitments upon accession, they are still making the needed regulatory changes. Trade problems resulting from sanitary and phytosanitary barriers remain unresolved. U.S. agricultural exports to Ukraine were \$211 million in 2007.

Uzbekistan: Uzbekistan has not been active in their WTO accession process in the last year. Much work is needed to improve their SPS regime. Technical assistance may provide some guidance and impetus to bring them back to the difficult task of reforming their SPS regime. The U.S. shipped \$467,000 in agricultural products to Uzbekistan.



<sup>1</sup>. Trade corresponds to Ukraine, Kazakhstan, Azerbaijan, Russia and Uzbekistan.

**Activity Title:**

Food Safety training for the Russian-speaking WTO accession countries

**Country:**

Kazakhstan, Ukraine, Russia, Azerbaijan, and Uzbekistan

**Total Budget:**

\$100,559

**Descriptive Paragraphs:**

Azerbaijan, Kazakhstan, Russia, Ukraine, and Uzbekistan are all former Soviet states and thus have a similar regulatory approach towards food safety. As part of their WTO accession process, these countries are in the process of updating their food safety regime to bring it in line with WTO SPS Agreement requirements. Codex Alimentarius is recognized by the World Trade Organization as the international standard-setting body for food safety, and presents a unique opportunity for these countries to participate with the international community in formulating and harmonizing food safety standards and ensuring their global implementation during a time when they are already in the process of updating their food safety regime.

The objectives of Codex to protect public health and facilitate trade align with the FAS Goal to reduce restrictive SPS measures by emphasizing the need to develop the least trade restrictive standards. U.S. exports of beef, pork and poultry products to these countries are over \$1 million a year and could be much higher once these countries establish a science-based food safety regulatory regime. In addition, regional and national politics, rather than sound science, often influence the establishment of food safety standards within these countries.

This activity intends to help Russian-speaking WTO accession governments understand and develop trade-related regulatory institutions and frameworks to support and increase current trade. (FAS Objective 2.1) It also grants them a role in the development of codes governing hygienic processing practices and recommendations relating to compliance with those standards.

**Activity**

FAS policy, scientific, and capacity building staff, in cooperation with the Food Safety and Inspection Service CODEX office, and FAS Posts, will plan a week-long training for food safety experts from Russian-speaking countries in the process of joining the WTO, or who have recently joined the WTO. The training will be conducted by a food safety expert with knowledge of Codex and held in a central location (Azerbaijan). These countries were part of the former Soviet Republic and share many of the same approaches to food safety. The training is intended to provide these countries with greater exposure to Codex, and may touch upon the Codex approach to hygiene standards, including pathogen reduction and risk management as it relates to meat and poultry products.

This training will assist them in better understanding the interaction between international Codex standards and WTO responsibilities.

FAS can quantify progress and success in the food safety arena by monitoring these countries' reference to international standards (Codex) in their food safety legislation and in WTO accession documents that relate to food safety. For Ukraine, who recently became a WTO member, progress and success will be measured in terms of reduced trade problems in the area of food safety as it relates to meat and poultry products

<b>Food Safety training for the Russian-speaking WTO accession countries</b>				
<b>Description</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Days, Nights, Occurrences</b>	
Participant Airfare	10	\$1,500	1	\$15,000
Participant Per Diem	10	\$358	7	\$25,060
Consultant Perdiem	1	\$358	8	\$2,864
Consulting Fees	1	\$570	11	\$6,270
Consultant Travel	1	\$3,500	1	\$3,500
USDA Perdiem	3	\$358	8	\$8,592
USDA Travel	3	\$3,500	1	\$10,500
Venue	1	\$2,500	1	\$2,500
Documents/Materials	1	\$2,000	1	\$2,000
Translation/Interpretation	1	\$900	5	\$4,500
Miscellaneous	1	\$2,500	1	\$2,500
<b>Subtotal:</b>				<b>\$83,286</b>
OCBD Staff Time				\$17,273
<b>Total:</b>				<b>\$100,559</b>

**Activity Title:**

Kazakhstan Animal Health Issues

**Country:**

Kazakhstan

**Total Budget:**

\$48,378

**Descriptive Paragraphs:**

The Foreign Agricultural Service (FAS) seeks to expand agricultural trade by creating a level international playing field and building strategic relationships with foreign governments (Goal I). It also seeks to facilitate U.S. commercial trade through technical assistance and capacity-building focused on the implementation of open, market-based trade policies and science-based regulations. According to FAS Post estimates, new U.S. exports to Kazakhstan are expected to reach over \$30 million as a result of World Trade Organization (WTO) accession-related reforms. This would double current U.S. market access. Kazakhstan's accession is a White House priority due to strategic interests in the region. As Kazakhstan is acceding at a similar time as other larger, regional trading partners (Ukraine and Russia); they must be held to the same standard. One priority is that Kazakhstan must be able to successfully apply the principles of the Sanitary and Phytosanitary (SPS) Agreement upon WTO accession. While Kazakhstan has made progress on some parts of its WTO negotiations, a great deal of work still needs to be done on SPS. Under a Memorandum of Understanding between the U.S. Department of Agriculture and the Ministry of Agriculture in the Republic of Kazakhstan, the United States agreed to assist them on agricultural issues related to their WTO accession. To that end, and at the request of the Kazakhstani government, Kazakhstani WTO negotiators and veterinary officials will participate in a meat and poultry systems "audit" training in the United States in FY08.

Continued work is needed with Kazakhstani veterinary officials to close on their WTO accession negotiations and ensure there are no SPS impediments to utilizing veterinary certificates recently negotiated with the Government of Kazakhstan. As a follow-up to the FY08 audit training, to solidify the approaches that the Kazakhstani participants observed in the U.S. and to apply them in country, FAS proposes sending two animal health experts to Kazakhstan in FY09. FAS is coordinating with APHIS to identify the appropriate USG expert or consultant for this activity. The experts will collaborate with USDA policy and regulatory agencies, other USG agencies, and the GOK to design a 1-week program addressing their SPS obligations under the WTO, particularly as it relates to the veterinary certificates. While in Kazakhstan, the USG team will determine the ability of the GOK to meet its SPS obligations under the WTO, suggest changes that would enable the GOK to meet their commitments, and determine the direction for future USG WTO technical assistance to Kazakhstan.



Kazakhstan Animal Health Issues				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Consultant Travel	2	\$3,000	1	\$6,000
Consultant Perdiem	2	\$350	14	\$9,800
Consulting Fees	1	\$570	22	\$12,540
Interpretation	1	\$600	5	\$3,000
Miscellaneous	1	\$2,500	1	\$2,500
<b>Subtotal:</b>				<b>\$33,840</b>
OCBD Staff Time				\$14,538
<b>Total:</b>				<b>\$48,378</b>

**Activity Title:**

WTO Agricultural Support Issues

**Countries:**

Kazakhstan, Russia, and one other acceding or newly-acceded country

**Total Budget:**

\$68,782

**Description:**

Members of the World Trade Organization (WTO) are required to submit agricultural support tables on an annual basis to the WTO membership in order to provide transparency and encourage restraint on the use of possible trade-distorting measures. The Agreement on Agriculture explains what type of agricultural support is included in a Member's Aggregate Measure of Support (AMS); however, understanding this information is difficult even for more experienced WTO members. Newly acceding countries have little experience in developing these agricultural support tables.

FAS proposes to conduct training on agricultural support commitments in the WTO Agreement on Agriculture. The training is intended to assist accession countries that are in the process of acceding to the WTO and who currently plan to use, and consequently will need to report, agricultural support measures to the WTO. By participating in the training program, these countries can better identify the appropriate box (green—non trade distorting, blue—production-limiting, trade distorting support, or amber—trade distorting support) for different types of agricultural support as defined under the WTO Agreement on Agriculture. In identifying the appropriate box, each acceding WTO Member can better prepare its agricultural support tables, providing for greater transparency in the use of possible trade-distorting measures. The activity aims to promote a better understanding of the support categorization and commitments under the Agreement on Agriculture.

FAS policy, scientific, and capacity building staff, in conjunction with the Office of the U.S. Trade Representative, will plan an activity for two participants per country from three acceding countries. The training will be approximately one week. FAS will be able to assess success of the training by viewing the extent to which agricultural support tables are appropriately categorized in the future by the participating countries.

WTO Agricultural Support Issues				
Description	Unit	Unit Cost	Days, Nights, Occurrences	
Participant Airfare	6	\$3,500	1	\$21,000
Participant Per Diem	6	\$284	7	\$11,928
Consultant Perdiem	1	\$284	7	\$1,988
Consulting Fees	1	\$570	15	\$8,550
Consultant Travel	1	\$600	1	\$600
Documents/Materials	1	\$2,000	1	\$2,000
Translation/Interpretation	1	\$900	6	\$5,400
Miscellaneous	1	\$3,000	1	\$3,000
<b>Subtotal:</b>				<b>\$54,466</b>
OCBD Staff Time				\$14,316
<b>Total:</b>				<b>\$68,782</b>